



línea directa

**Remuneration policy for
Línea Directa Aseguradora, S.A.
directors**

INTRODUCTION

This document sets out the Remuneration Policy for the directors of Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros ("**Línea Directa**", the "**Company**", or the "**Entity**"), subject to approval at the 2025 General Shareholders' Meeting as a separate item on the agenda (hereinafter, the "**Policy**" or the "**Remuneration Policy**"), and replaces the policy approved by the General Shareholders' Meeting held on 24 March 2022.

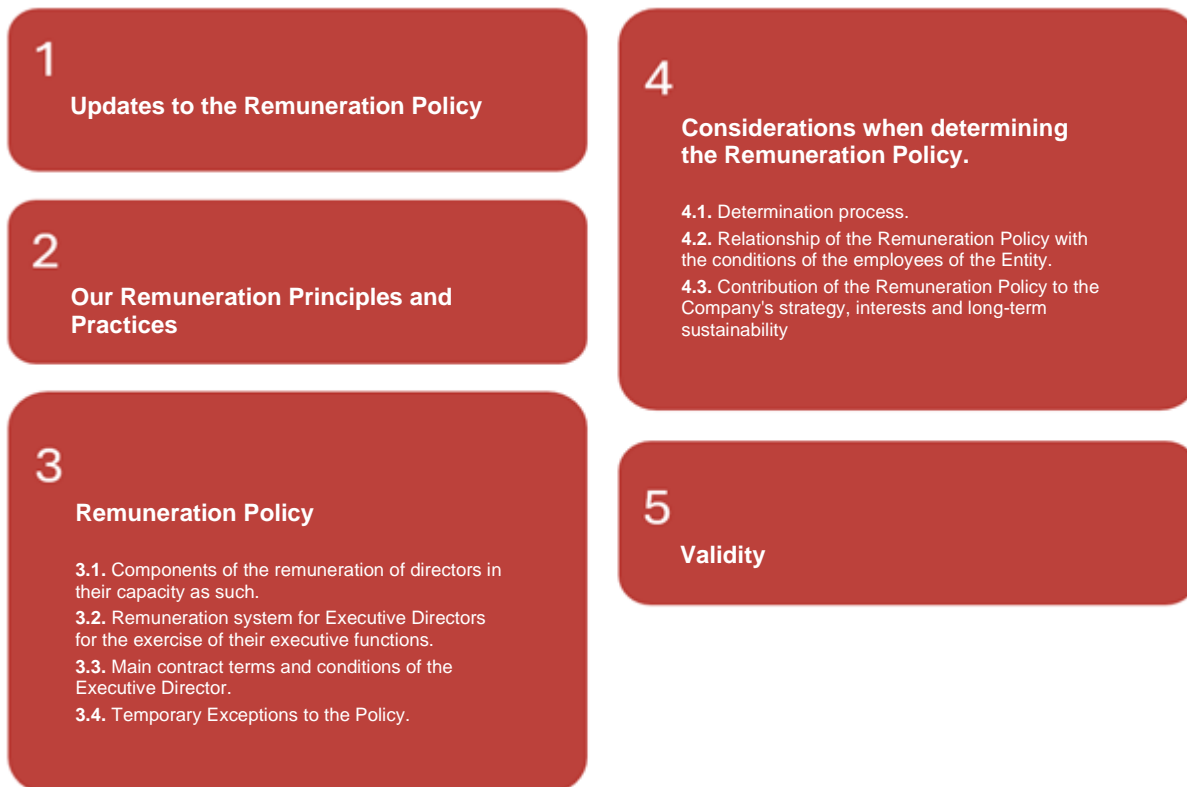
This new Directors' Remuneration Policy shall remain in force, if approved by the General Shareholders' Meeting, from the date of its approval and shall apply to the determination of the annual remuneration for 2025 and the following three financial years (2026, 2027 and 2028), notwithstanding any adaptations or updates that, where appropriate, may be carried out by the Board of Directors pursuant to the provisions of the Policy and the amendments that the Línea Directa General Shareholders' Meeting may approve at any time.

The main objective of this Policy, which in large part takes up from the previous policy, is to align director remuneration with the interests of the Company by promoting corporate values and culture. The remuneration system must aim to promote the Company's long-term profitability and sustainability, rewarding behaviour and attitudes consistent with its culture and values, and incorporating the precautions required to avoid excessive risk-taking and rewards for adverse outcomes.

The Policy has been prepared considering, as well as the provisions of the Spanish Capital Enterprises Law¹, the recommendations of the Code of Good Governance² and the sector regulations applicable to insurance companies

The Policy and voting results will be available on the Línea Directa website free of charge while it is in force.

This document has the following sections:



1 Royal Legislative Decree 1/2010 of 2 July, approving the revised text of the Spanish Corporate Enterprises Law ("**Spanish Corporate Enterprises Law**" or "LSC").

2 Code of Good Governance for Listed Companies revised by the Spanish National Securities Market Commission in June 2020 (the "**Code of Good Governance**").

1. NEW FEATURES OF THE REMUNERATION POLICY

Summary of the main changes

The Appointments, Remuneration and Corporate Governance Committee ("**CNRGC**") has considered reflecting on certain aspects of the Policy, taking into account, among others, the opinions of proxy advisors and shareholders, the recommendations of the Code of Good Governance, and best market practices.

The new Remuneration Policy has the following characteristics:

- It takes up from the policy approved at the General Shareholders' Meeting on 24 March 2022.
- It updates of the amounts foreseen as annual directors' remuneration, by a percentage of 3% in line with the information recorded as the increase in the Consumer Price Index (CPI) for 2024, after 4 years without any update being made to said index.
- It also updates the amount foreseen as annual fixed remuneration for the executive functions of the Executive Director³, based on the peer report prepared by the external advisor, WTW, which placed her current remuneration within the 25% percentile within in the peer group taken into consideration.
- It incorporates adjustments to other remuneration conditions of the Chief Executive Officer, including the reference to the modulating indicator of the annual variable remuneration and the revision of the maximum number of shares to be received by the Chief Executive Officer for the annual variable remuneration, during the period of validity of the new Policy.
- Includes references applicable to insurance and reinsurance companies, based on the EIOPA Guide in this area.
- Removes references to completed plans (Extraordinary Remuneration Plan in shares 2021-2023 linked to the IPO).
- This Policy presents a more accessible and understandable format for the Company's stakeholders.

³ As of the effective date of this Policy, there is only one executive director (the "**Executive Director**" or the "**Chief Executive Officer**").

2. OUR REMUNERATION PRINCIPLES AND PRACTICES

The remuneration system established in the Policy aims to foster the long-term profitability and sustainability of the undertaking, rewarding behaviour and attitudes consistent with its culture and values, and incorporating the precautions needed to avoid excessive risk-taking and rewards for adverse outcomes.

The general principles governing Línea Directa's Remuneration Policy are as follows:

		Executive Director	Non-executive directors
Prudent and effective risk management	The Policy shall promote appropriate and effective risk management and shall not encourage a level of risk-taking that exceeds the Entity's risk tolerance limits, including sustainability risks.	●	●
Alignment with long-term interests	Remuneration will be configured with a medium and long-term vision and will include measures to avoid conflicts of interest.	●	●
Connection to the business strategy and long-term sustainability	The Policy shall contribute to the Company's business strategy and long-term sustainability, taking the necessary measures to avoid excessive risk-taking and rewarding unfavourable results	●	●
Proper ratio between fixed and variable components	The variable remuneration payable to executive directors shall not generally constitute a significant proportion compared to fixed remuneration, with a view to avoiding excessive risk-taking. In no case will it be considered that there is a guaranteed variable remuneration.	●	
Internal and external equity	The Policy will reward the level of responsibility and career trajectory of Company directors, ensuring internal equity and external competitiveness.	●	●
Supervision and effectiveness	The Board of Directors at the Company, as part of its supervisory function, shall adopt and periodically review the general principles of the Remuneration Policy and shall be responsible for supervising its correct implementation.	●	●
Ensuring independent judgment	Remuneration will be structured in a way that will not compromise the independent judgment of external directors.		●
		Executive Director	Non-executive directors
Equality and diversity	The Policy shall prevent any discrimination on the basis of sex, race, religion or disability, recognising equal pay for positions of equal value.	●	●

<p>Flexibility</p>	<p>The rules for the remuneration management of directors will incorporate mechanisms that allow exceptional situations to be dealt with in accordance with the needs that arise at any given time.</p>	<p>• •</p>
<p>Simplicity and transparency</p>	<p>Remuneration management rules will be drafted clearly and concisely, simplifying, as far as possible, both the description thereof and the calculation methods and the terms and conditions applying to implementing them. These rules will be explicit and known to the directors of the Entity, always prioritising transparency in terms of remuneration.</p>	<p>• •</p>
<p>Relationship to Employee Conditions</p>	<p>The conditions of the Company's employees shall be taken into consideration in determining the Remuneration Policy applicable to executive directors.</p>	<p>•</p>



These principles are reflected in a Remuneration Policy that is aligned with solid good governance practices:

Executive Director | **Non-executive directors**



- A significant part of remuneration is linked to the business strategy and to long-term interests and sustainability ("*pay for performance*").
 - A relevant part of remuneration is paid in Línea Directa shares.
 - At least 40% of the variable remuneration is paid on a deferred basis during a period of no less than three years.
 - Variable remuneration, in relation to fixed remuneration, does not constitute a significant proportion, with a view to avoiding excessive risk-taking.
 - As regards variable remuneration, sustainability-related metrics are employed.
 - Malus and clawback adjustments are applied to all elements of variable remuneration.
 - The CNRGC takes into account market remuneration information to design, review and apply the Policy periodically, aligning total remuneration with that of comparable companies.
 - The allocation of guaranteed extraordinary remuneration is avoided.
- Remuneration is linked to the dedication, qualifications and responsibilities assumed in the performance of their duties.
 - No consideration is given to participation in remuneration formulas or systems linked to the Company's results or individual performance, or participation in long-term savings systems.

3. REMUNERATION POLICY

3.1 COMPONENTS OF DIRECTOR REMUNERATION IN THEIR CAPACITY AS SUCH

As regulated in the Articles of Association, the position of director is remunerated. The Remuneration Policy aims to remunerate the members of the board of directors for their position as such, i.e. for carrying out the supervisory and collective decision-making tasks within the board of directors and the committees of which they are a part, appropriately and sufficiently, in line with their commitments, qualifications and responsibilities, and without compromising their independent judgment in doing so.

The maximum amount of the annual remuneration of all directors in their capacity as such may not exceed 1.500.000 euros and will remain in force until its modification is approved by the General Meeting. Unless otherwise determined by the General Meeting, the distribution of remuneration among the directors shall be established, taking into account the functions and responsibilities attributed to each director, in the terms established in this Policy.

Within the maximum amount decided at any given time by the General Shareholders' Meeting, the Board of Directors at the proposal of the ARCGC, will determine the amount that corresponds to each of the directors, the frequency and the form of payment of their remuneration, in accordance with this Remuneration Policy.

The directors' remuneration must, in any case, be reasonably proportional to the importance of the Company, its economic situation at any given time and the market standards of comparable companies.

The remuneration system established must be aimed at promoting the long-term profitability and sustainability of Línea Directa and incorporate the necessary precautions to avoid excessive risk-taking and the reward of unfavourable results.

The remuneration accrued by the members of the board of directors for their supervisory and collective decision-making functions will be made up a set annual amount and allowances for attending each meeting of the Board of Directors and its Committees.

Within the limits and terms and conditions set out above, the concepts of remuneration recognised to directors in their capacity as such for serving on the board of directors are as follows:

Position	Annual set amount	Allowances for attending board of directors sessions (for each meeting)
President	€123,600	€3,090
Executive Director	€92,700	€2,317.50
Board member	€61,800	€1,545

In addition, members of the board who serve on Committees within it, will be entitled to the following remuneration:

Position	Per diems for attending each Committee meeting
Chairman of a Commission	€2,060
Committee member	€1,030

These amounts may be updated by the board of directors, provided that the total remuneration for performing its supervisory and collective decision-making functions outlined in this section does not exceed the annual maximum limit set out in this Policy.

In addition, the non-executive directors of Línea Directa who are members of the administrative bodies of other companies in the group (the "**Group**") may receive the statutory remuneration that corresponds to them for their membership of said bodies.

The Annual Reports on Directors' Remuneration submitted to an advisory vote at the General Shareholders' Meeting will detail the amounts that directors have received for these concepts during the previous financial

year, as well as the details of the amounts allocated for the current financial year. Similarly, these reports will account for updates to the amounts allocated to directors for these concepts.

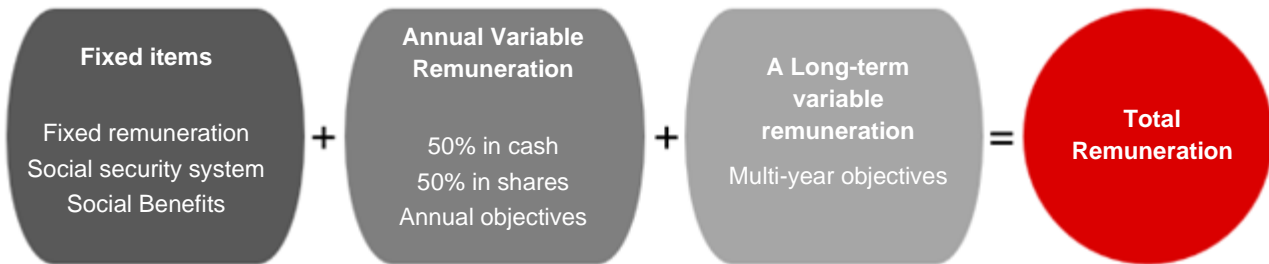
This same remuneration system will apply to any new director who joins the board of directors during the term of this Policy.

3.2 REMUNERATION SYSTEM FOR EXECUTIVE DIRECTORS FOR THE EXERCISE OF THEIR EXECUTIVE FUNCTIONS

The Executive Director will also be entitled to receive, for the performance of her executive functions and as part of her commercial management contract with the Company, annual remuneration consisting a fixed part and a variable part depending on the achievement of previously established objectives, aligned with prudent risk management and adjusted to the long-term interests of the Company. Likewise, the Executive Director has the right to participate in the short- and long-term variable remuneration systems that the Entity decides to implement at any given time.

The Executive Director may receive cash remuneration, shares or options on shares for his executive functions when the Company feels that it must reward and incentivise his performance in certain operations or exceptional circumstances, subject to approval in accordance with applicable law, under a duly justified proposal by the CNRGC. These exceptional incentives will be, where appropriate, in addition to the concepts and amounts described in this section. In the event that an incentive is granted in shares or referenced to the value of the share, its application must be agreed by the General Meeting within the framework of the provisions of the applicable regulations.

The following are the various elements that make up the Executive Director's remuneration system, which will apply to both the current executive director and executive directors who may be appointed as such during the term of this Policy.



3.2.1. Fixed items of remuneration

3.2.1.1. Fixed remuneration

Amount	Operation
<p>The Executive Director's fixed gross annual remuneration amounts to €396,864, payable in twelve (12) monthly instalments.</p>	<p>This amount will be understood to refer to the period of the full calendar year, so, if the Executive Director leaves the company on a date other than the end of the calendar year, he will receive the amounts actually accrued, proportional to the time worked in the aforementioned year.</p> <p>In accordance with market studies and analyses drawn up based on the available public information and the average increases in the remuneration of the Línea Directa senior management, following a proposal the CNRGC, the board of directors will agree to update the fixed remuneration in order to establish appropriate compensation for the duties of an Executive Director, in such a way as to be competitive in the market and in line with the compensation for similar entities to Línea Directa, taking account of these updates in the corresponding Annual Report on Directors' Remuneration to be put to a vote by the Company's General Shareholders' Meeting.</p>

3.2.1.2. Social security systems

Amount	Operation
<p>30% of the Executive Director's fixed remuneration.</p>	<p>The Executive Director maintains the rights she has recognised in a collective unit-linked defined contribution life insurance policy, subscribed by Línea Directa, through which the Entity's pension commitments are implemented. The rights of the Executive Director under the aforementioned insurance policy are not vested, and such vesting depends on certain circumstances, including voluntary resignation, unless otherwise expressly agreed in writing, or breach of the covenant not to compete and not to hire executives.</p> <p>In the event that the Executive Director continues to provide her services in Línea Directa when she reaches the ordinary retirement age, the accumulated funds will be reduced by 1% on a monthly basis for each additional year of service, unless expressly agreed otherwise.</p>

3.2.1.3. Other remuneration items

Amount	Operation
<p>The amount corresponding to each of the items will be reflected in the Annual Remuneration Report.</p>	<p>The Executive Director will be entitled to the corporate benefits proposed for the Entity's management team, as well as those included in the Collective Bargaining Agreement applying to all Línea Directa employees or corporate benefits that, in the future, may be in the collective rules or in specific collective agreements at company level, such as health insurance, life insurance or the right to a vehicle, including vehicle expenses, which he currently has.</p> <p>The Company also maintains a liability insurance policy that covers contractual contingencies that the executive director may incur as a result of the activities included under her duties.</p> <p>If the Executive Director requests any type of financing for the purchase of Línea Directa shares, the Company may compensate the Executive Board Member for any economic damages that may be caused by the decrease in the value of the shares, when they are constituted as a guarantee for the financing that may be requested, up to a limit of €300,000.</p>



3.2.2. Variable remuneration

The main objective of variable remuneration is to incentivise performance by targeting the objectives set by the Entity, while promoting suitable and effective risk management that prevents variable remuneration from creating incentives for individual risk-taking behaviours, and effectively aligning the remuneration of executive directors with the long-term interests of the Entity and its stakeholders.

The Executive Director is the beneficiary of variable component-linked remuneration plans. Specifically, according to Línea Directa's general remuneration policy, the following principles will be taken into account for the setting of the variable components of the Executive Director's remuneration:

1. It contributes to the business strategy and to the interests and long-term sustainability of the Entity, by establishing a direct relationship between the Entity's earnings and the variable remuneration amount, based on how much the objectives are fulfilled.
2. The achievement of variable remuneration is linked to work at an individual level, to the achievement of corporate, area or department objectives, at optimal levels, including both financial and non-financial objectives. These criteria must be properly balanced.
3. Variable remuneration will promote suitable and effective risk management and will not lead to or create situations that will result in the Entity's risk profile increasing.
4. The incentive policy will be completely flexible, including the possibility of not paying any variable component.
5. In the total remuneration, the fixed and variable components will be balanced in such a way that the fixed component is a sufficiently high proportion of the total remuneration, in order to prevent employees from over-relying on variable components and to enable the company to use a completely flexible incentive policy, including the possibility of not paying any variable components. An appropriate balance between fixed and variable remuneration will be deemed to exist when the variable component does not exceed 100% of the fixed component of the total remuneration, or that set out by the Supervisor at any time. The Company will do its best to maintain a suitable balance between the fixed and variable components of the Executive Director's total remuneration.

The Executive Director's variable remuneration may be paid in part, or in its entirety, in shares in accordance with market best practices, subject to prior approval by the General Shareholders' Meeting, in compliance with Article 219 of the LSC.

3.2.2.1 Variable annual compensation

Maximum amount	KPIs	Operation
<p>40% of the Executive Director's fixed remuneration (assuming 100% compliance with targets).</p>	<p>In order to achieve the best results for the Company, the achievement of variable remuneration will be linked to financial and business objectives with a weight of 70% and non-financial objectives with a weight of 30%.</p> <p>Each of the targets will have a minimum threshold of achievement, below which the right to receive the variable remuneration will not apply. In addition, each of these targets may be surpassed by up to 140%.</p> <p>To increase the alignment of remuneration with the strategic priorities of Línea Directa and those of its shareholders in achieving the Group's results, the Board of Directors may include, subject to a reasoned proposal by the CNRGC, an indicator that modulates the degree of achievement of the financial and non-financial targets established each year, multiplying the degree of achievement of these targets by a factor between 0.5 and 1.5 depending on a scale of compliance to be approved by the Board of Directors at the proposal of the CNRGC.</p> <p>The payment of this variable remuneration will be determined by the fulfilment of the objectives set by the Company for the period in question. In any case, the fulfilment of the objectives will depend on different indicators, always linked to the improvement of the management, profitability and growth of the Entity. These targets will never entail or give rise to situations that result in an increase in the Company's risk profile.</p>	<p>With regard to the annual variable remuneration, 50% will be paid in cash⁴ and 50% in shares, depending on the fulfilment of predetermined objectives, linked to the degree in which strategic objectives established at any time by the Board of Directors, at the proposal of the CNRGC, are achieved.</p> <p>The established model is based on the premise of establishing a direct relationship between the Company's results and the amount of variable remuneration, taking into account the degree of compliance with the objectives.</p> <p>The CNRGC will be responsible for proposing the establishment and approval of the annual variable remuneration for the Executive Director to the Board of Directors, the payment of which shall be made annually, notwithstanding any adjustments that may apply on a case by case basis.</p> <p>The annual variable remuneration system will be reviewed by the CNRGC on a regular basis, which will determine whether it is appropriate to measure the contribution against the Company's earnings.</p>

3.2.2.1 Annual variable remuneration

Maximum amount	KPIs	Operation
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⁴ Subject to approval by the General Shareholders' Meeting pursuant to the provisions of Article 219 of the LSC.

The Company will provide full information on the annual variable remuneration system established for each year and the weightings of each indicator in the corresponding Annual Report on Directors' Remuneration.

The maximum number of Línea Directa Aseguradora shares to be delivered to the CEO, both deferred and non-deferred, as a part of annual variable remuneration for each year, shall be calculated, unless the General Shareholders' Meeting establishes otherwise, based on the average share price of Línea Directa Aseguradora at the end of trading sessions between 1 and 31 January, inclusive, of the subsequent year to the year in which the corresponding variable remuneration applies. Specifically, with respect to the annual variable remuneration for period 2026 - 2028, the maximum number of shares that the CEO may receive will be 600.000 shares, i.e. 200.000 shares per year.

Of the maximum number of Línea Directa Aseguradora shares to be delivered to the Chief Executive Officer, the Company may deduct the number of shares required to make the corresponding payment on account of Personal Income Tax ("IRPF") or any other tax that may be payable, as well as the corresponding Social Security contributions.

3.2.2.2. Long-term variable remuneration

The Executive Director may be part of all of the multiannual incentive plans approved by the General Shareholders' Meeting during the term of the Policy which grants any type of rights to receive a certain number of shares or a cash amount, including, but not limited to, share option systems, appreciation rights over Línea Directa shares, free delivery of shares or multi-year bonuses.

Such remuneration systems may cover any of the following objectives:

1. Retaining and incentivising the Entity's key workforce.
2. Improving the Entity's P&L account in the medium term.
3. To improve the sustainability of the Company.

The specific terms and conditions of the multiannual incentive plan that is implemented, where appropriate, (including those related to possible adjustments, such as payment schedule or reduction clauses, "malus", and recovery clauses, "clawback") will be the terms and conditions established by the board of directors following a proposal by the CNRGC, in accordance with the principles of this Policy, and subject to approval by the Línea Directa General Meeting in cases where it will be necessary.

The Chief Executive Officer participates, with the members of the management team and certain key employees, in the 2023-2025 long-term variable compensation plan (the "Plan") which will allow its beneficiaries to receive, after a certain period of time and provided that certain requirements and the Company's strategic objectives are met, subject to the terms approved by the General Shareholders' Meeting on 30 March 2023, remuneration that will be paid, in equal parts, in a given number of ordinary Línea Directa Aseguradora shares and a given amount in cash. As part of the maximum number of shares to be delivered contemplated in the Plan, the CEO may receive a maximum of 355,083 shares.

3.2.2.3. Common provisions for variable remuneration

Variable remuneration will be in line with the Company's business and risk management strategy, its risk profile, its objectives, its long-term sustainability, its risk management practices and its short, medium and long-term performance and interests and will include measures aimed at avoiding conflicts of interest.

Accordingly, the following specific mechanisms will apply:

- a) **Proportion between fixed and variable components**

Variable remuneration, in relation to fixed remuneration, shall not constitute a significant proportion, with a view to avoiding excessive risk-taking. In no case will it be considered that there is guaranteed variable remuneration.

b) Deferred component of variable remuneration

At least 40% of the variable remuneration will be paid on a deferred basis for a period of no less than 3 years and must bear in mind the nature and time horizon of the Company's activities. During the deferral period, deferred remuneration will be received proportionally. The deferral will in any case be subject to the criteria and limits recommended by EIOPA in its Opinion on remuneration principles in the insurance sector.

c) Ex-post adjustments to variable remuneration

Variable remuneration shall only be paid or consolidated if it is sustainable in accordance with the Línea Directa situation as a whole and if justified according to personal or Company results.

Reduction clauses ("malus")

Deferred variable remuneration that has been accrued and is pending payment will be subject to partial or total reduction if, prior to the payment date, any of the following circumstances occur:

- A reformulation of annual accounts that is not as a result of a regulatory change and provided that, in accordance with this reformulation, the variable remuneration to be paid is less than that initially accrued, or no remuneration had been paid in accordance with the Línea Directa variable remuneration system. For these purposes, it will be understood that this circumstance has occurred when the external auditor of the Company introduces caveats in its report that reduce the earnings to be taken into consideration when determining the variable-remuneration amount to be paid.
- Where a competent authority requires or recommends that the Entity restrict its dividend distribution policy.
- If the Executive Director has contributed significantly to the poor financial results of the Entity or the business unit of which she is a part.
- The level of solvency or liquidity or both, is or is expected to be below the limit set in the Solvency II regulations.
- The Executive Director has caused serious harm to the Entity, with guilt or negligence involved.
- The Executive Director has been sanctioned for a serious and intentional breach of any of the internal Línea Directa regulations that may apply to him.
- Where there are regulatory sanctions or court convictions as a result of actions that may be attributable to the unit or personnel responsible for these events or conduct. When the Executive Director breaches the Entity's internal codes of conduct.

Circumstances where the "malus" clause is applied may be amended, extended or adapted based on the regulations in force at any time or if deemed appropriate by the board of directors, following a proposal from the CNRGC.

Clawback clauses

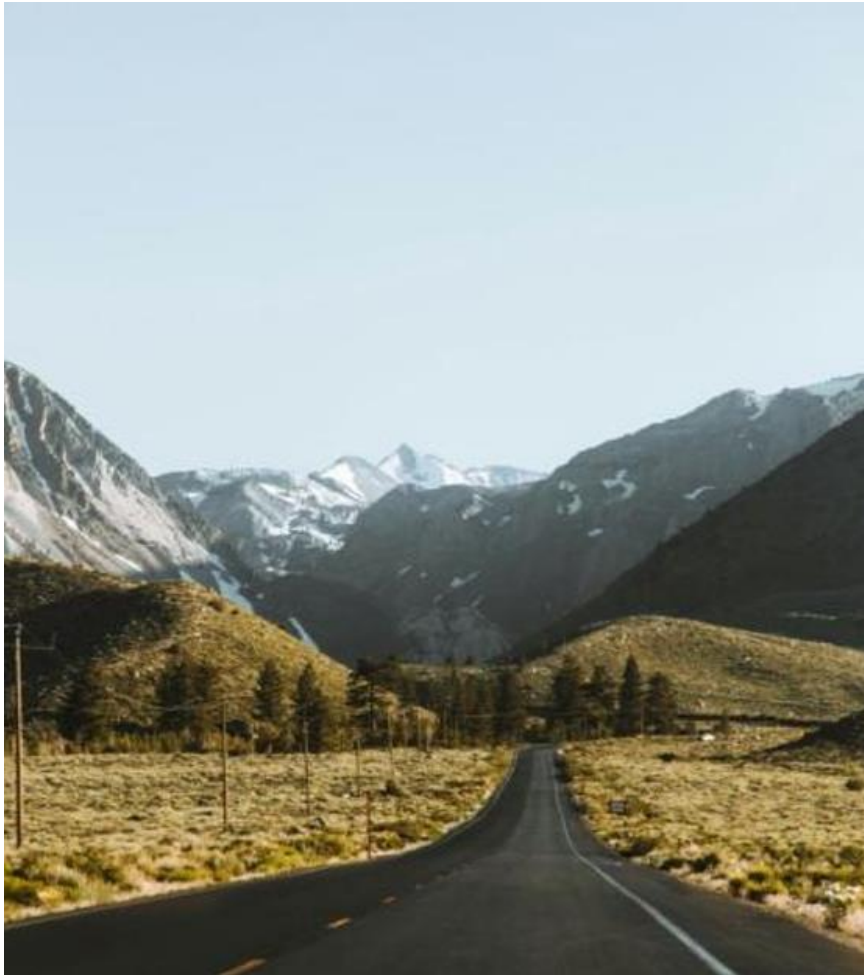
The variable remuneration already paid to the Executive Director (whether deferred or not) will be fully or partially clawed back by Línea Directa if, during the two years immediately after payment, it becomes apparent that the payment was fully or partially made on the basis of information whose falsehood or serious inaccuracy has been demonstrated a posteriori, or risks or other circumstances not foreseen or assumed by the Entity arise during the conditional period that have a negative material effect on the P&L accounts of any of the years in which it is applicable and, in any event, when, during that two-year period, any of the situations described in the cases of malus clauses take place that, had it occurred, would have resulted in this malus clause being applied.

The board of directors, following a proposal from the CNRGC, will be responsible for determining or proposing, as appropriate, how the malus clause or the loss of the right to receive the deferred amounts or to fully or partially claw them back will be applied, depending on the characteristics and circumstances of each particular case.

The board of directors, following a proposal from the CNRGC, will be responsible for determining or proposing, as appropriate, how the malus clause or the loss of the right to receive the deferred amounts or to fully or partially claw them back will be applied, depending on the characteristics and circumstances of each particular case.

d) Prohibition of personal hedging strategies

Personal hedging strategies or any insurance related to remuneration and liability that undermines the risk-adaptation effects implicit in their remuneration system may not be used.



3.2.2.4 Remuneration of the Executive Director

The Executive Director has a fully flexible variable remuneration system that responds appropriately to the results achieved. The relative size of the Executive Director's variable remuneration means that, combined with the annual variable remuneration and long-term variable remuneration, and depending on the Executive Director's personal performance and how much he fulfils the objectives set for accrual, there is a balance between the fixed and variable components of the remuneration, without resulting in a high dependency on the variable remuneration.

In this regard, the Executive Director's annual short-term variable target remuneration currently represents approximately 29% of total annual remuneration (sum of Fixed Remuneration and Annual Variable Remuneration "target").

If the amount of the annualised long-term variable remuneration plan were included, the annual variable remuneration "target" would represent approximately 25% and the annualised 2023-2025 long-term variable remuneration plan also 25% of total annual remuneration (sum of fixed remuneration, the annual variable remuneration "target" and the annualised long-term variable remuneration plan)⁵.

The specific weights of each element of the remuneration package for each year will be identified in the corresponding Annual Report on Directors' Remuneration.



⁵ Effective upon approval of this Policy and ending in 2025.

3.2.2.5 Permanent Holding of Shares

if part of the Executive Director's variable remuneration is paid in shares, the Executive Director may not transfer ownership until at least three years have elapsed.

An exception is made in the case where the Executive Director maintains, at the time of the transfer, a net economic exposure to changes in the price of shares for a market value equivalent to an amount of at least twice her annual fixed remuneration through the holding of shares, options or other financial instruments.

This shall not apply to shares that the Executive Director needs to dispose of to meet the costs related to its acquisition or, after favourable appreciation of the ARCGC, to cover the costs of any unforeseen extraordinary situations.

The maintenance of the shares indicated above forms part of the Company's compliance with recommendation 62 of the Code of Good Governance.

3.2.2.6 Incorporation of new executive directors

In principle, the remuneration system and basic contractual terms and conditions outlined in this Policy will also apply to any new executive director who joins the board of directors during the term of this Policy, taking into account, in particular, the functions assigned, the responsibilities assumed and their professional experience.

A fixed remuneration appropriate to these characteristics will be established by agreement of the Board of Directors, in line with the fixed remuneration of the current Executive Director and taking into account the competitive environment and the comparable market values, also applying the variable remuneration system set out in this Policy.

3.3 MAIN CONTRACT TERMS AND CONDITIONS OF THE EXECUTIVE DIRECTOR

The basic terms and conditions of the Executive Director's contract are as follows:

	Characteristics
Duration	Validity of the appointment as Executive Director with executive functions of Línea Directa.
Confidentiality	A strict duty of confidentiality is established during the term of the relationship and also upon termination.
Exclusivity	The Executive Director shall refrain from entering into other contracts or providing employment, commercial or civil services, or any other nature to other natural persons, companies, organisations or entities. This shall apply if these entities are involved in activities that compete with or are in conflict with any activities that Línea Directa or any other Group company engages in, unless with the prior, express permission of the Company's Board of Directors.
Indemnities	<p>The termination of the Executive Director's contract at the unilateral request of the Company and, in certain cases, at the unilateral request of the Executive Director will entitle the Executive Director to receive compensation calculated based on the rules set out in the Workers' Statute. To this end, the calculation of this compensation shall take into consideration the seniority of the Executive Director from 11 March 2003 until the date on which her tenure as Chief Executive Officer ends, and the fixed remuneration, the annual variable remuneration, the medium/long-term variable remuneration and/or the extraordinary remuneration systems linked to milestones or strategic events for the Company that she was receiving on the date on which her employment relationship ended.</p> <p>In any case, payments for termination or termination of the contract may not exceed an amount equivalent to two years of the total annual remuneration of the Executive Director at the time of termination of the contract and will not be paid until the Company has been able to verify that the Executive Director has complied with the criteria or conditions established for their receipt. All this, without prejudice to the compensation to which the Executive Director is entitled for the termination of the employment relationship that she has suspended.</p> <p>Payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the Executive Director and the Company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of the non-competition agreement.</p>
Post-contractual non-compete agreement and non-hiring of executives	<p>The post-contractual non-competition covenant means that, once the contract has been terminated and for a period of 18 months after its termination, for any reason, the Executive Director shall (i) not undertake employment activities or provide professional services, on her own account or on behalf of others (including on behalf of direct relatives or intermediaries or legal persons) that compete with the activities performed by the Company or its Group companies, and (ii) not actively promote hiring, on her part or by third parties or persons, any executive from the Company or other Group companies without the prior express authorisation of the Company.</p> <p>As compensation for the aforementioned obligations, the Executive Director will receive compensation equivalent to 50% of the total of the last fixed annual remuneration agreed for the current year, which will be paid once the 18-month period has elapsed.</p>

3.4 TEMPORARY EXCEPTIONS TO THE POLICY

The Board of Directors of Línea Directa, at the proposal of the CNRGC, may approve the application of temporary exceptions to the Remuneration Policy, which will be, in any case, limited to those exceptional situations in which the failure to apply the Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

Only the remuneration components included in section 3.2 of the Remuneration Policy will be subject to exception, avoiding the allocation of guaranteed extraordinary remuneration.

The procedure to be followed in the event of any circumstance that justifies the application of these temporary exceptions will be as follows:

- The CNRGC will issue a report amending the specific circumstances and remuneration from those set out in paragraph 3.2.
- In order to draw up the report, the CNRGC may use the opinion of an external third party.
- In light of the conclusions of the report, the CNRGC would, where appropriate, raise the proposed exceptional application to the board of directors.

In any event, the Company shall take into account the principles of paragraph 2 and shall duly inform in the corresponding Annual Report on Directors' Remuneration of the exceptional situation that has led the Board of Directors to approve the application of the temporary exception, as well as the component or components subject to said exception.



4. CONSIDERATIONS WHEN DETERMINING THE REMUNERATION POLICY

4.1 DETERMINATION PROCESS

4.1.1 Board of Directors

In accordance with the provisions of the Regulations of the Board of Directors, the Board is empowered to adopt decisions relating to the remuneration of directors, within the framework of the bylaws and, where appropriate, the Remuneration Policy approved by the General Shareholders' Meeting.

Based on the maximum annual amount set and approved by the General Meeting for the remuneration of directors in their capacity as such, the board of directors is responsible for setting the individual remuneration, frequency and method of payment of each director, following a report by the CNRGC. To this end, it will take into account the positions held by each director in the collegiate body itself, their membership and attendance at the different committees (the "**Committees**") and any other objective circumstances that they consider relevant.

The board of directors is also responsible for determining the individual remuneration of each director for the performance of the executive functions assigned to them, in accordance with the provisions of their contract and the Remuneration Policy, following a report by the CNRGC, as well as the approval of their contracts with the Company.

Notwithstanding the above, the board of directors will, in any event, take action within the scope of the powers over the Remuneration Policy attributed to it by the LSC, the Articles of Association and the Board of Directors Regulations.

4.1.2 Appointments, Remuneration and Corporate Governance Committee

Pursuant to the provisions of the Regulations of the Board of Directors, the CNRGC is responsible for proposing to the Board, for approval, the directors remuneration policy as well as their individual remuneration, in addition to the corresponding annual report on the directors remuneration. The Board shall then submit these to a vote at the General Shareholders' Meeting, in an advisory capacity.

The CNRGC shall also propose for approved by the Board, the individual remuneration of the executive directors and, as the case may be, the external directors, for the performance of duties other than those in their capacity as a director, and other terms and conditions of their contracts.

In addition, the CNRGC proposes the Remuneration Policy for senior management, including general managers or those who carry out

their senior management functions under the direct report of the Board of Directors, executive committees or managing directors, as well as individual remuneration and the other basic conditions of their contracts and the remuneration of members who, not belonging to senior management, carry out professional activities that may have a relevant impact on the assumption of risks by the Company.

4.1.3 Other areas of the Entity

The following areas of the Entity participate in the process of determining, reviewing and applying the Remuneration Policy:

- The Internal Audit area participates in the control and monitoring of the Policy.
- The Corporate Governance department participates in the design of the Remuneration Policy and advises the Entity on the normative and regulatory requirements and on the management of possible conflicts of interest that may arise in the exercise of the activity of said area.

The Corporate Governance department proposes the Policy to the CNRGC, as well as its subsequent amendments.



4.1.4 Measures to avoid or manage conflicts of interest

Article 25.2 of Linea Directa's Bylaws establishes that the Regulations of the Board of Directors shall develop the specific obligations of directors derived from the duties of diligence and loyalty, paying particular attention to situations of conflict of interest.

In this regard, the Regulations of the Board of Directors establish that a conflict of interest with the director will be considered to exist in those situations in which the interest of the Company or the companies in its group and the personal interest of the director collide, directly or indirectly. There will be a personal interest of the director when the matter affects him or a person related to him or, in the case of a proprietary director, the shareholder or shareholders who proposed or made his appointment or persons related to them.

In addition, the Regulations of the Board of Directors stipulate that the director must notify the Board of Directors, through the Chairman or the Secretary, of any situation of direct or indirect conflict of interest in which they may find themselves.

In addition, persons who, directly or through a related person, are involved in a situation of structural and permanent conflict of interest with the Company or who are proposed by one or more shareholders in whom the aforementioned conflict of interest occurs, may not be appointed directors.



4.2 RELATIONSHIP OF THE REMUNERATION POLICY WITH THE CONDITIONS OF THE ENTITY'S EMPLOYEES

In order to establish the Executive Director's remuneration terms and conditions in this Remuneration Policy for Directors, consideration has been given to the remuneration policy applicable to Company employees.

The remuneration system of the Executive Director is aligned with that of the rest of the Company's employees, insofar as it seeks to reward the value that they bring to the Entity, sharing the following principles:

- The remuneration package offered by Linea Directa can be made up of fixed, variable short- and long-term components, as well as other social benefits.
- A part of the total remuneration is variable and its receipt is linked to the achievement of individual and corporate objectives aligned with the Company's strategy.
- Non-discrimination on the basis of gender, race, religion or disability is guaranteed when applying remuneration practices and policies. In this regard, professionals are remunerated in a manner consistent with the level of responsibility, leadership and level of performance within the organisation, favouring the attraction of talent and the loyalty of key professionals.

4.3 CONTRIBUTION TO THE REMUNERATION POLICY OF THE COMPANY'S STRATEGY, INTERESTS AND LONG-TERM SUSTAINABILITY

Línea Directa's mission is to contribute its experience in direct response and put it at the service of its stakeholders, including customers, employees, shareholders, suppliers and, by extension, the whole of society, generating wealth, security and a more responsible and sustainable living environment for people. Therefore, its vision is to be the benchmark insurer as a result of its respect for the groups with which it associates, especially customers, employees and suppliers and to be the forefront of innovation in the insurance sector promoting values associated with road safety, home safety, health, the environment and sustainability.

According to the aforementioned mission and vision, the main values of Línea Directa are (i) respect for people; (ii) the spirit of self-improvement; (iii) enthusiasm; (iv) results-focused and (v) clarity; with activities aimed at defending human rights and labour rights, respect for the environment and the fight against corruption. These values are expressly reflected in the Entity's Code of Ethics, which develops the rules of conduct necessary for their proper compliance and implementation and which is applicable to all the staff of Línea Directa or any of its subsidiaries, including its administrators.

In this regard, the ultimate objective of this Remuneration Policy is to contribute to the

development of Línea Directa's mission, vision and values, so that the remuneration of the Company's directors is in line with the dedication, effort and responsibility assumed. Considering that its directors and employees are Línea Directa's most valuable asset, the main focus of the remuneration policies is the attraction, loyalty and motivation of the best talent.

Likewise, in line with the growing importance of integrating sustainability into companies' strategies, the CNRGC's remit includes monitoring the Company's sustainability strategy, practices and objectives, assessing its level of compliance and reviewing its sustainability policies, ensuring that they are aimed at value creation.

In order to strengthen the overall business strategy and gain competitive advantages in specific aspects of the management in which the Company will work in the coming years, Línea Directa offers its directors and its staff a fair and competitive compensation package.

In line with the above, this Remuneration Policy is a tool that contributes to the achievement of the objectives of its business strategy, taking into account at all times the principles set out in section 2.

5. VALIDITY

This new Remuneration Policy shall remain in force, if approved by the General Shareholders' Meeting, from the date of its approval and shall apply to the determination of the annual remuneration for 2025 and the following three financial years (2026, 2027 and 2028), notwithstanding any adaptations or updates that, where appropriate, may be carried out by the Board of Directors pursuant to the provisions of the Policy and the amendments that the Línea Directa General Shareholders' Meeting may approve at any time. Any modification or substitution of the Policy during its validity will require the prior approval of the General Shareholders' Meeting in accordance with the provisions of the LSC.

In any case, this Policy will be without prejudice to any payments that apply to the directors during these years, corresponding to the variable-remuneration amounts accrued in previous years, as well as to pending payment should an executive officer be dismissed.