



REPORT OF THE BOARD OF DIRECTORS ON AMENDMENTS TO THE REGULATIONS OF THE BOARD SINCE THE LAST GENERAL SHAREHOLDERS' MEETING

1. SUBJECT MATTER

In accordance with Article 528 of the Capital Companies Act, the Board of Directors of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros (the “**Company**”) hereby informs the General Shareholders' Meeting of the amendments to the wording of the Regulations of the Board of Directors to have been approved since the last General Shareholders' Meeting held on 30 March 2023.

2. AMENDMENTS TO THE BOARD REGULATIONS

The approved amendments serve the following purposes:

- Expressly vest in the Board of Directors certain powers provided for in legislation, thus helping to avoid the fragmentation of regulatory requirements (**Article 4.4**):
 - The control of ESG risks (environmental, social and corporate governance) in relation to the Board's function of determining the risk control and management policy, as well as the regular monitoring of the risk appetite level.
 - The approval of non-financial or corporate information.
 - The approval of outsourced services which, in accordance with applicable law and regulations, must be notified to the Regulator.
 - The appointment of persons responsible for key functions that must be reported to the Regulator in accordance with applicable law and regulations.
- Modify the frequency with which the Board of Directors reviews the legal status or category of each director to reflect current practice, thus ensuring that such a review takes place without delay when the circumstances in which a director was granted a certain status subsequently change, and always whenever the director's re-election is laid before the General Meeting (**Article 8.5**).
- As a good practice valued by the Dow Jones Sustainability Index, to make clear that proposals for the appointment or re-election of directors submitted by the Board of Directors for consideration by the General Meeting must be made on an individual basis (**Article 9.2**).
- Remove the situations based on legal person directors, which under current law and regulations cannot occur at listed companies (**Articles 9.4 and 10.5**).



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- As a good practice, introduce repeated absences from Board meetings as one of the circumstances in which the director concerned must tender his or her resignation to the Board and, if the Board deems it appropriate, then effectively step down (**Article 12.3**).
- Move **Article 12 bis** ("Advisors to the Board") to become part of **Article 13.6** ("Rights of directors"), as the provision concerns a power of the Board and has no connection with Article 12 ("Removal of directors").
- Explain who should act as Secretary of the Board of Directors in the event that the Deputy Secretary of the Board is also absent (**Article 30.1**).
- In relation to the powers of the Audit and Compliance Committee (**Article 33.5**):
 - Include cybersecurity risks among the risks supervised by this Committee, in line with European standards on digital operational resilience and good practice as assessed by the Dow Jones Sustainability Index.
 - Introduce ESG (environmental, social and governance) risks among the risks supervised by this Committee, with this particular remit to be shared with the Appointments, Remuneration and Corporate Governance Committee, such that the latter hears the findings of the Audit and Compliance Committee. The Regulations also envisage the possibility of holding joint meetings to discuss such matters.
 - To fully explain the remit of this Committee in relation to the non-financial statement, in particular:
 - Supervising the process of drawing up and presenting non-financial information relating to the Company and its Group, reporting on this process and on the completeness and clarity of the information to the Appointments, Remuneration and Corporate Governance Committee.
 - Heading up the selection and recruitment process of the assurance provider, as a new legal obligation, and liaising with the assurance provider to gather the necessary information.
 - Reporting to the Appointments, Remuneration and Corporate Governance Committee on the findings regarding the effectiveness of the Internal Rules of Conduct in the Securities Markets, seeing as this is closely related to the oversight of corporate governance at the Company.
 - Including the legal obligation to receive annual reports on complaints and claims, as well as reports from the policyholder ombudsman.



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- In relation to the powers of the Appointments, Remuneration and Corporate Governance Committee (**Article 34.3**):
 - Include the regulatory function of reporting to the Board of Directors on the fitness and standing of directors and persons responsible for key functions, prior to their appointment by the Board.
 - Remove the function of overseeing the Company's regulatory compliance system, which is now the responsibility of the Audit and Compliance Committee.
 - Clarify the committee's remit over ESG risks, in particular, gather information on the identification, assessment and monitoring of ESG risks by the Audit and Compliance Committee, with the possibility of both committees holding joint meetings.
 - Explain its functions in relation to the non-financial statement, in particular:
 - Set out the guidelines, criteria and reference standards that should govern the process of drawing up the non-financial statement, reporting to the Board on such matters.
 - Review, validate and report to the Board of Directors on the non-financial statement prior to its drafting, considering the information received from the Audit and Compliance Committee on the preparation process and the integrity of the information.
 - Add its function of reviewing and validating the relevant sections of any corporate report, whether mandatory or voluntary, that relates to sustainability.
 - Incorporate its remit to report to the Board of Directors on memberships of national or international associations and involvement in initiatives that involve the assumption of commitments or good practices by the Company.
- Introduce technical, organisational and drafting improvements (**Article 12 bis, Article 33.5.xvi and xvii, Article 34.3 iii and ix**).

Following the above amendments, the Board of Directors approved a **recast text of the Regulations of the Board of Directors**, which is permanently available on the corporate website: <https://www.lineadirectaaseguradora.com/gob.-corporativo-y-p.-remuneraciones/consejo-de-administracion/reglamento-del-consejo>

3. DISCLOSURE TO THE CNMV AND FILING



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The recast text of the Regulations of the Board of Directors has been disclosed to the CNMV and filed with the Companies Registry.

Madrid, 29 February 2024