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**IDENTIFICATION DATA OF THE ISSUER**

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End date of the reference year: [ 31/12/2024 ]

CIF: [ A80871031 ]

Company name:

[ **LINEA DIRECTA ASEGURADORA, S.A., INSURANCE AND REINSURANCE COMPANY** ]

Registered office:

[ ISAAC NEWTON, 7 (TRES CANTOS) MADRID ]

**A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR**

**A.1.1** Explain the current directors' remuneration policy applicable to the current financial year. To the extent relevant, certain information may be included by reference to the remuneration policy approved by the general meeting of shareholders, provided that the incorporation is clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, at least:

- a) Description of the procedures and bodies of the company involved in the determination, approval and application of the remuneration policy and its conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

- Directors' Remuneration Policy in force for the current financial year:

At its meeting held on 27 February 2025, the Board of Directors of Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros ("Línea Directa", the "Company" or the "Entity") has proposed submitting a new directors' remuneration policy for approval to the next General Shareholders' Meeting, which will take effect from said date of approval and apply to the calculation of annual remuneration for 2025 and the following three years - 2026, 2027 and 2028 (the "Policy" or the "Remuneration Policy").

Until the General Meeting on 10 April 2025, the directors' remuneration policy approved by the General Meeting on 24 March 2022 will remain in force, with the amendment agreed by the General Meeting held on 30 March 2023, consisting of adding a provision by which the Board of Directors may include, at the reasoned proposal of the Appointments, Remuneration and Corporate Governance Committee ("CNRGC"), an indicator modulating the degree of compliance with the financial and non-financial targets set annually (the "modulator") and the participation of the executive director (the "Executive Director" or the "CEO") in the long-term variable remuneration plan 2023-2025, maintaining the rest of the content and validity of the Policy.

The Remuneration Policy submitted for approval at the 2025 General Shareholders' Meeting, the text of which is published on the corporate website, at [www.lineadirectaaseguradora.com](http://www.lineadirectaaseguradora.com), in addition to the other documentation available for the General Shareholders' Meeting, including the following aspects:

- i. Our remuneration principles and practices.
- ii. Components of the remuneration of directors in their capacity as such.
- iii. Remuneration system for executive directors for the exercise of their executive functions.
- iv. Main contract terms and conditions of the Executive Director.
- v. Temporary Exceptions to the Policy.
- vi. Considerations when determining the Remuneration Policy.
- vii. Relationship of the Policy with the conditions of the Entity's employees.
- viii. Contribution of the Policy to the strategy, interests and long-term sustainability.
- ix. Validity.

- Description of the procedures and company bodies involved in determining, approving and applying the Policy and its terms and conditions:

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 Meeting.

On the basis of the maximum annual amount set and approved by the General Meeting for the remuneration of the directors in their capacity as such, it is the responsibility of the Board of Directors to set the individual remuneration, frequency and form of payment of each director, upon the proposal and subject to a report from the CNRGC. To do this, it shall take into account the positions held by each director in the Board of Directors itself, their membership of and attendance at the various Committee meetings and any other objective circumstances deemed appropriate.

Likewise, the Board of Directors is responsible for determining individually the remuneration of each director for the performance of the executive functions attributed to him/her, in accordance with the provisions of his/her contract and the Remuneration Policy, at the proposal and following a report from the CNRGC, as well as the approval of his/her contracts with the Company.

- Information on whether any external advisors took part in this process and, if so, their identity.

The renowned firm J&A Garrigues has participated in the determination of the directors' remuneration policy as an independent external advisor.

- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy. To establish the Remuneration Policy, consideration has been given to a series of comparable companies, proposed by WTW as an independent external advisor of recognised prestige, using two main peer groups: a multi-industry group with a focus on listed and unlisted companies in the insurance sector and another composed exclusively of listed companies. In particular, to determine the peer groups, the main criteria applied have been dimension (turnover, within a comparable range, as well as taking into consideration the sector and geographical scope and including subsidiaries and business units), as well as companies listed on the Ibex Medium Cap.

- Procedures included in the current remuneration policy to apply temporary exceptions:

The Board, 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 it is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability. Only those components relating to the remuneration system of directors for the exercise of their executive functions will be subject to exceptions, avoiding the allocation of guaranteed extraordinary remuneration.

**A.1.2** Relative importance of variable remuneration concepts with respect to fixed remuneration (remuneration mix) and what criteria and objectives have been taken into account in their determination and to ensure an appropriate balance between the fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the company's long-term objectives, values and interests, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy takes into account the company's long-term results, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the institution's risk profile and measures envisaged to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

- Appropriate balance between fixed and variable components of remuneration:

In accordance with the Director's Remuneration Policy, the remuneration accrued by the members of the Board of Directors in their role as such (for their supervisory functions and collective decision) shall consist of a fixed annual assignment and allowances for attending each session of the Board of Directors and its committees. Therefore, directors in their capacity as such do not receive variable remuneration.

The Executive Director receives fully flexible variable remuneration, which responds to the results achieved by the Entity. 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.

To this end, the Executive Director's short-term annual variable remuneration (assuming its 100% achievement) currently represents approximately 29% of total annual remuneration (sum of the Fixed Remuneration and Annual Variable "target-based" Remuneration).

When including the amount in the annualised long-term variable remuneration plan, the annual variable remuneration "target" (assuming 100% achievement) represents approximately 25% and the 2023-2025 annualised long-term variable remuneration plan would

also represent 25% of total annual remuneration (sum of fixed remuneration, annual variable "target-based" remuneration (assuming 100% achievement) and the annualised long-term variable remuneration plan).

- Actions taken to reduce exposure to excessive risks and adjust it to the long-term interests of the Company:

The Policy's principles are to promote appropriate and effective risk management, so as not to encourage a level of risk-taking that exceeds the Company's risk tolerance limits, including sustainability risks, and to encourage in turn their alignment with the medium and long-term interests of the Company. In this regard, as will be detailed below, the parameters that serve to set the variable remuneration of the executive director are linked to the improvement of management and the financial, commercial and quality results of Línea Directa, as well as the performance in complying with the Sustainability Plan; they are predetermined, and are likewise quantifiable and measurable. They constitute essential tools for measuring the Company's value indicators, and will never suppose or will be generators of situations that give rise to an increase in the risk profile of the Entity. Therefore, they are fully aligned with the sustainable growth of the Company and its interests in the medium and long term. Likewise, it has been provided that if the minimum targets set are not achieved, this variable remuneration will not accrue, which fully binds it to the interests of the Company. In addition, the variable remuneration system defined for executive directors features specific mechanisms to align remuneration with the Company's risk management and risk profile. Specifically, the following mechanisms are established: (i) the appropriate proportion between the fixed and variable components, (ii) the deferral of a major part of variable remuneration, (iii) malus clawback clauses and (iv) the prohibition of personal hedging strategies.

In this way, as stated in the Remuneration Policy itself, its ultimate objective is to contribute to the development of Línea Directa's mission, vision and values, constituting a tool that contributes to the achievement of the objectives of its business strategy.

- Measures envisaged to avoid conflicts of interest:

Article 25.2 of the By-laws establishes that the Regulations of the Board of Directors shall develop the specific obligations of directors relating to the duties of diligence and loyalty, with a particular focus on conflicts of interest.

To this end, the Board of Directors Regulations establishes that there will be deemed to be a conflict of interest with the director in situations where the interest of the Company or the companies in its Group and the personal interest of the director, directly or indirectly, clash. The personal interest of the director shall exist where the matter affects them or an affiliate or, in the case of a proprietary director, the shareholder or shareholders who proposed or made their appointment or one of their affiliates.

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.

- Measures in relation to those categories of personnel whose professional activities have a material impact on the institution's risk profile:

As Línea Directa is an insurance company subject to applicable law and regulations on remuneration for insurance and reinsurance undertakings, the Company has defined those categories of personnel whose professional activities have a material impact on the Company's risk profile (the "Identified Staff"), with all the directors in their capacity as such, and the Executive Director, being among those identified professionals.

For these purposes, the remuneration of directors in their capacity as such consists solely of fixed elements (a fixed annual amount and allowances for attendance at each meeting of the Board of Directors and its committees), with no variable components.

Concerning the Executive Director, as her remuneration consists of variable components, in addition to other components, the Company applies different adjustment mechanisms, which are described in this Report.

The CNRGC also 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.

- Accrual or consolidation periods of certain variable remuneration items, deferral periods and adjustment clauses:

In relation to accrual periods, the annual variable remuneration only accrues after the effective verification by the Board of the level of compliance with the previously established targets. As regards multi-year variable remuneration, section A.1.6 of this Report provides details of the 2023-2025 Long-Term Incentive Plan (the "23-25 LTI" or the "Plan") approved at the 2023 General Shareholders' Meeting of which the Executive Director is a beneficiary.

As for deferral periods, in accordance with the Policy and regulations applicable to insurance companies, at least 40% of the variable remuneration will be paid on a deferred basis for a period of not less than 3 years. 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. During the deferral period, deferred remuneration will be received proportionately.

Finally, 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 the results of the Entity. In this regard, the Directors' Remuneration Policy provides for the following "malus" and "clawback" clauses:

Malus clauses: The deferred variable remuneration accrued and pending payment may be reduced by up to 100% if, prior to the date of payment, any of the following circumstances occur:

- A reformulation of annual accounts that does not result from a regulatory change and provided that, in accordance with said 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 out 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.
- There are regulatory sanctions or court convictions, as well as non-compliance with the Entity's internal codes of conduct by the Executive Director.

Clawback clause: 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 the application of said malus clause.

### **A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.**

In accordance with the Directors' Remuneration Policy, the remuneration accrued by the members of the Board of Directors for their supervisory functions and collective decision shall consist of a fixed annual amount and allowances for attending each session of the Board of Directors and its committees.

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 the Remuneration Policy.

In accordance with the Policy, the amounts provided for therein may be updated by the Board of Directors, provided that the total remuneration for the exercise of its supervisory and collective decision functions expressed in this section does not exceed the annual maximum limit provided for. According to the resolution of the Board of Directors, the maximum annual remuneration of all directors in their capacity as such shall not exceed 1,500,000 euros.

In accordance with the above, for 2025 the Board of Directors has agreed to an update with respect to the last 4 years (in which the remuneration for the status of director has remained unchanged), of 3%, based on the increase in the annual Consumer Price Index ("CPI") for 2024, in the concepts of fixed remuneration and allowances for membership of the Board and its Committees, which will be applicable throughout the 2025 financial year.

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.

Within the above limits and conditions, the concepts of remuneration recognised to directors in their capacity for this year are as follows:

- Fixed allocation on an annual basis for the entire year:

- o President: 123.600 euros.
- o Executive Director: 92.700 euros.
- o Board member: 61.800 euros.

- Attendance allowances, to be paid for attending each meeting of the Board or its Committees:

- o Board of Directors: 3,090 euros per meeting for the Chairman of the Board, 2,317.50 euros for the Executive Director and 1,545 euros per meeting for members.
- o Commissions: 2,060 euros per meeting for the Committee Chairman and 1,030 euros per meeting for each of the members.

**A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.**

As of the date of this Report, the Company's sole executive director is the Chief Executive Officer, Ms. Patricia Ayuela de Rueda.

Subject to the provisions of the Policy, in accordance with market studies and analyses drawn up based on the public information available and the average increases in the remuneration of the Línea Directa senior management, at the proposal of the ARCCG, the Board of Directors shall agree to update the fixed remuneration to establish compensation appropriate to the functions of the executive director, in such a way as to be competitive in the market and aligned with compensation for similar entities to Línea Directa.

To this end, the Board of Directors has agreed to review the annual gross fixed compensation for the CEO's performance of her executive functions (which amounted to 330,720 euros in 2024) by 20%, to be paid in twelve monthly instalments, thus resulting in the new fixed annual compensation for the performance of her executive functions of 396,864 euros for 2025, for which the corresponding adjustments will be made to the outstanding monthly payments in such a way that, once the Policy is approved by the General Shareholders' Meeting, the fixed annual compensation for 2025 will be as indicated in the new Policy.

This update has been agreed in view of the market study carried out by the independent external consultant WTW, which has already been mentioned at the beginning of this Report, which concluded that the total target remuneration of the CEO is practically in the 25th percentile of the main comparison group considered, where, by dimension, Línea Directa would be located around the median.

According to the Policy, this amount shall be understood to refer to the period of the full calendar year. Therefore, if the executive director leaves the company on a date other than the end of the calendar year, they shall receive the amounts actually accrued, proportional to the time worked during that year.

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

According to the provisions of the Directors' Remuneration Policy, the Executive Director shall have the right to the corporate benefits arranged for the Entity's management team, as well as those included in the Collective Bargaining Agreement applicable to all Línea Directa employees or those 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.

In this regard, the CEO will accrue the following remuneration in kind, (the social security systems detailed in section A.1.7 are not included here):

- 1- Life Insurance, renewable in 2025, with the payment of a premium that is expected to be similar to the premium paid in 2024, which amounted to 2,398 euros.
- 2.- Health Insurance: The Company assumes the premium of a reimbursement medical insurance for the CEO and her family unit, which in 2025 amounts to 5,300 euros.
3. Rental car (12,496 euros is expected to be allocated in 2025) plus the expenses arising from its use.

Lastly, the Company maintains a third-party liability and D&O insurance policy covering any contractual contingencies that the executive director may incur as a result of the activities entrusted to her.

**A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, an explanation of the extent to which these parameters are related to the performance of both the director and the entity and their risk profile and the methodology, time frame and techniques envisaged to be able to determine, At the end of the financial year, the effective degree of compliance with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in terms of the time required and methods to verify that the performance conditions or any other conditions to which the accrual and consolidation of each component of the variable remuneration were linked have been effectively met.**

Indicate the range in monetary terms of the different variable components depending on the degree of compliance with the established objectives and parameters and if there is a maximum monetary amount in absolute terms.

As noted above, directors in their capacity as such do not receive remuneration based on variable components.

The Executive Director, for her part, is the beneficiary of remuneration plans linked to variable components in accordance with the provisions of the Remuneration Policy and her commercial contract.

In particular, with regard to the annual variable remuneration, 50% will be paid in cash 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 are achieved.

In any case, 50% of the annual variable remuneration to be delivered in shares is conditional on its approval by the General Meeting of Shareholders of Línea Directa, under the terms provided for in article 219 of the Capital Companies Act. At the General Shareholders' Meeting held on 30 March 2023, shareholders approved the delivery to the Chief Executive Officer, as annual variable remuneration in shares for the three years during which the Remuneration Policy remains in force (2023, 2024 and 2025), of up to a maximum total of 405,000 shares of Línea Directa Aseguradora (allocating a maximum of 135,000 shares for each year the Policy remains in force). For the specific calculation of the shares to be delivered corresponding to the Annual Variable Remuneration, the average closing price of the Línea Directa Aseguradora share between 1 and 31 January of the year following the year to which the Annual Variable Remuneration corresponds (both inclusive) will be taken as a reference.

The variable remuneration model is based on the premise of a direct relationship between the Company's earnings and the variable-remuneration amount, based on the extent to which the targets are being fulfilled.

This annual variable remuneration will represent 40% of the executive director's fixed remuneration (assuming that 100% of the targets are fulfilled).

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%.

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%.

In particular, the metrics set by the Board of Directors, following a review by the ARCGC, for the 2025 annual variable remuneration of the Executive Director are as follows:

- Written premiums of the Company, with a weighting of 70% of the total amount awarded. At least 95.80% of target compliance must be achieved. The target achievement can range from 50% (in the case of 95.80% compliance with the target) to 140% (in the case of 102.30% compliance with the target).
- Sustainability Plan 2023-2025: Compliance with a set of pre-determined actions under the Sustainability Plan, with a weight of 15% of the total amount awarded. With a degree of achievement that may range from 50% to 140% depending on the number of actions completed.
- Compliance with the service quality indicator, NSS ("Net Satisfaction Score"), with a weighting of 15% of the total amount awarded, which may also be achieved at a level of between 50% and 140%.

The degree of overall compliance with the three indicators described above will be adjusted by using the modulator proposed in 2025 by the ARCGC, in particular the pre-set compliance scale of the Group's consolidated Profit Before Tax ("PBT"). This modulator will adjust the financial and non-financial targets by between 0.5, for a degree of compliance of less than or equal to 65% of the Group's consolidated PBT target in the annual accounts for 2025; and 1.5 in the case of overachievement of the PBT target of 131%.

The assessment of compliance with the financial parameters shall be measured with respect to the annual accounts drawn up by the Board of Directors. The degree of compliance with non-financial targets will be measured against the actual annual compliance with the NSS targets and actions included in the Sustainability Plan.

Therefore, the payment of the annual variable remuneration will be determined by verifying the effective degree of compliance with the objectives set by the Company for the period in question. The corresponding settlement will generally be made in the first quarter of the following year. 40% of the variable remuneration will be paid on a deferred basis over a period of three years.

Likewise, the General Meeting of March 30, 2023 approved the participation of the CEO in the Long-Term Incentive Plan 2023-2025.

In particular, the indicators approved by the General Meeting, which will be measured from 1 January 2023 to 31 December 2025, are as follows:

- The Company's combined ratio, based on the average achievement over the period of the Plan, which will have a 50% weight when calculating the incentive.
- Growth in the Company's premiums compared to that of the non-life sector during the Plan's period, which will be weighted by 40% when the Incentive is calculated.

This indicator will only accrue from the achievement of the target objective, and no achievement below 100% will be considered.

- Degree of achievement with the Company's Level 1 Sustainability Plan (which will be audited by an external party of recognised standing) for 100% achievement of this indicator and to be part of the Dow Jones Sustainability Index ("DJSI") in 2025 to obtain the maximum degree of achievement of this indicator, which will have a weight of 10% of the total Incentive.

After the end of the measurement period, the Incentive that, if applicable, the CEO will be entitled to receive will be determined according to the degree of achievement of the objectives. The amount of this Incentive will be equivalent to one and a half (1.5) years of gross fixed annual salary as of 1 January 2023 in the case of 100% achievement of the targets proposed in the Plan ("target achievement level"), and may reach up to three (3) years of gross fixed salary as of 1 January 2023 in the case of achievement of 150% of the targets ("maximum achievement level").

Under the terms provided for in the Remuneration Policy, variable remuneration is not guaranteed. In this sense, for each indicator, a minimum level or threshold of compliance is foreseen, which will be calculated according to a pre-set scale.

The incentive will be settled within sixty days following the preparation of the 2025 annual accounts ("Settlement Date") and the delivery of the Company's shares, as well as the payment of the cash amount, if any, arising from the Plan will be made in accordance with the following schedule:

- 60 per cent of the amount of the Incentive will be settled, in halves, in cash and in shares, on the Settlement Date.
- The remaining 40 per cent of the Incentive will be settled, in halves, in cash and in shares, on a deferred basis, in thirds, for a period of three years.

This long-term variable remuneration is also subject to malus and clawback clauses, as well as to the obligation of the Chief Executive Officer to maintain the shares; she may not transfer ownership over them until a period of at least three years has elapsed, except in the case where the Executive Director maintains, at the time of the transfer, a net economic exposure to the variation in the price of shares for a market value equivalent to an amount of at least twice her annual fixed remuneration through the ownership of shares, options or other financial instruments.

**A.1.7** Main characteristics of long-term savings systems. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

It must be indicated whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short- and long-term performance of the director.

In accordance with the Policy, the Executive Director maintains the rights she has recognised in a collective unit-linked 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.

It is a defined contribution system to which the Company contributes 30% of the executive director's fixed remuneration every year.

If the executive director continues to provide her services at the ordinary age of retirement, the accumulated funds would be reduced by 1% on a monthly basis for each additional year of service, unless explicitly agreed otherwise.

In addition to total retirement, this System covers the contingencies of death for any cause, and situations of Total, Absolute or Great Permanent Disability, for any cause.

The cases of loss of rights over this system, unless expressly agreed and written otherwise are:

- In case of termination at the Executive Director's own will or by unilateral will of the company for justified reasons, she will not have any right derived from this pension system, and the designation of beneficiary provided for in the policy that covers the system will be null and void.
- In case of not complying with the agreements of non-competition and non-hiring of directors, she will not have any right derived from this pension system, and the designation of beneficiary provided for in the policy that covers the system will be null and void.

In these cases, Línea Directa may withdraw the total accumulated amount or balance by exercising the right to redemption, affecting the total accumulated fund that includes both the contribution made in the previous system, as well as the following contributions of the new system.

Except in the cases indicated, the irrevocable ownership of the economic rights will be recognised and they will be maintained until any of the insured contingencies occur. The Executive Director shall not be entitled to make an early withdrawal of the funds accumulated up to that point.



**A.1.8** Any type of payment or compensation for termination or early termination or derived from the termination of the contractual relationship in the terms provided between the company and the director, be it the termination at the will of the company or the director, as well as any type of agreements, such as exclusivity, post-contractual non-concurrence and permanence or loyalty that entitle the director to any type of payment.

Miguel Ángel Merino González served as CEO of Línea Directa until 17 February 2022. As has been reported, as consideration for the termination by mutual agreement of the contractual relationship, Línea Directa will pay the subject a total gross amount of 675,699 euros. Of this amount, 60% was settled in 2022, for a total of 405,419.40, with the remaining 40% being deferred and paid in thirds, in the amount of 90,093.20 euros in 2023, 2024 and 2025. Therefore, an amount of 90,093.2 euros is payable in 2024.

The corresponding agreements in relation to the contract of the current CEO are detailed in section A.1.9 below.

**A.1.9** Indicate the conditions that must be respected by the contracts of those who exercise senior management functions as executive directors. Among others, the duration, the limits to the amounts of compensation, the clauses of permanence, the terms of notice, and the payment as a substitute of the aforementioned period of notice will be reported, as well as any other clauses related to contracting premiums, indemnities or caps for early termination or termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreements of non-concurrence, exclusivity, permanence or loyalty and non-post-contractual competition, unless they have been explained in the previous section.

As already indicated in this report, as of this date the only executive director of the Company is the Chief Executive Officer, Ms. Patricia Ayuela de Rueda.

According to the provisions of the Policy, the Executive Director's contract may be terminated by mutual agreement between the parties, at the request of the director or unilateral will of the Company.

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.

In any case, payments for the termination of the contract may not exceed an amount equivalent to two years of the Executive Director's total annual remuneration at the time that this contract is terminated, 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 paying it. 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.

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.

It also provides for a post-contractual non-competition agreement whereby, once the contract has been terminated and for a period of 18 months after its termination for any reason, the Executive Director undertakes not to carry out work activities or provide professional services on her own or for others that concur with those of the Entity or entities of her Group, and (ii) not to actively promote herself or third parties or persons from hiring any director of the Entity or of other companies or entities of the Group, without the express prior authorisation of the Company. As compensation for those obligations, the Executive Director will receive compensation equivalent to 50% of the total of the last annual fixed remuneration agreed for the current year, which will be paid after the 18-month period has elapsed.

Additionally, the main contractual conditions foreseen for the Executive Director are the following:

- Duration: validity of the appointment as Executive Director with executive functions of Línea Directa.
- Confidentiality obligation: A strict duty of confidentiality is established during the term of the relationship and also after its termination.
- Exclusivity: The Executive Director shall refrain from entering into other employment, commercial or civil contracts or of any other nature with other persons, companies, bodies or entities, either by herself nor through intermediaries, whether relatives or not, nor through any legal persons or entities or bodies, nor to provide labour, commercial or civil services or any other type of services to any natural person or entity, provided that they are engaged in activities that involve competition or conflict with any of the activities to which Línea Directa or any other Group company is dedicated, unless prior and express written permission is received from the Company's Board of Directors.

- 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.  
This will not apply if, when the transfer occurs, the Executive Director has a net economic exposure to variations in the share price for a market value equivalent to at least twice his annual fixed remuneration through the ownership 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 ARCCG, to cover the costs of any unforeseen extraordinary situations.

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

It is not expected that in 2025 there will be the accrual of supplementary remuneration for directors for services rendered other than those inherent to their position.

**A.1.11** Other remuneration concepts such as those derived, where appropriate, from the company granting advances, credits and guarantees and other remuneration to the director.

The Policy provides for the possibility of granting certain guarantees, up to certain limits, in favour of the Executive Director should she request financing for the purchase of shares in the Entity.

**A.1.12** The nature and estimated amount of any other additional remuneration provided for and not included in the preceding paragraphs, whether paid by the entity or another entity of the group, which shall be accrued by the directors in the current financial year.

No additional remuneration not included above is expected to accrue for the entity or another group entity in 2025.

**A.2.** Explain any relevant changes in the remuneration policy applicable in the current year arising from:

- a) A new policy or a modification of the policy already approved by the Board.
- b) Relevant changes in the specific determinations of the remuneration policy in force established by the board for the current year with respect to those applied in the previous year.
- c) Proposals that the Board of Directors would have agreed to present to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

As mentioned at the beginning of this report, at its meeting held on 27 February 2025, the Board of Directors has proposed, following a favourable report from the CNRGC, to submit to the next General Shareholders' Meeting the approval of a new directors' remuneration policy, which, if approved, would replace the directors' remuneration policy approved by the General Shareholders' Meeting on 24 March 2022.

Both the CNRGC's report and the text of the proposed amendment have been available on the corporate website since the call for the General Meeting.

The main changes proposed are as follows:

- Update of the amounts foreseen as annual directors' remuneration, by a percentage of 3% in line with the information recorded as the increase in the CPI for 2024, after 4 years without any update being made to said index.
- In addition to the update of the amount foreseen as annual fixed remuneration for the executive functions of the Executive Director, 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.
- Inclusion of adjustments to other remuneration conditions of the Chief Executive Officer, including the reference to the modulating indicator of the annual variable remuneration and the review of the maximum number of shares to be received by the Chief Executive Officer as annual variable remuneration, during the validity period of the new Policy.
- Inclusion of references applicable to insurance and reinsurance companies, based on the EIOPA Guide in this area.
- Elimination of references to completed plans (Extraordinary Remuneration Plan in shares 2021-2024 linked to the IPO).
- The new Policy presents a more accessible and understandable format for the Company's stakeholders.

The 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.

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

The direct link from the corporate website to the document containing the current Remuneration Policy is as follows:

<https://www.lineadirectaaseguradora.com/gobierno-corporativo/remuneraciones>

**A.4. Taking into account the information provided in section B.4, explain how the vote of shareholders at the general meeting to which the annual remuneration report for the previous year was put to the vote, in an advisory capacity, was taken into account.**

The advisory vote on the annual remuneration report for the 2023 financial year obtained 97.66% of votes in favour, compared to 94.84% for the 2022 financial year.

This 3 point increase reflects majority support from shareholders as regards the enforcement of the directors' remuneration policy during the year and an increase in confidence in the transparency and reporting of information offered by the Company.

**B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE CLOSED FINANCIAL YEAR**

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**B.1.1** Explain the process followed to implement the remuneration policy and determine the individual remuneration reflected in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, where appropriate, the identity and role of the external advisers whose services have been used in the process of applying the remuneration policy in the closed financial year.

The process that has been followed to determine the individual remuneration reflected in section C corresponds to the functions assigned in the Bylaws, the Rules and Regulations of the Board of Directors and the Remuneration Policy in force for the year ended to the different corporate bodies in terms of remuneration.

In particular, the ARCCG, at its meetings in January and February 2024, reported favourably and proposed to the Board of Directors the following matters, which were approved:

- (i) The specific determination of the components of the fixed remuneration accrued in 2024 by the directors, in accordance with the amounts provided for in the Policy, and its update for 2025 on fixed remuneration for executive functions, also in accordance with the provisions of the Policy.
- (ii) Scrutiny of the level of compliance with the parameters on which the accrual of the annual variable remuneration of the Executive Director is based, and the specific calculation of said remuneration for 2024.
- (iii) The calculation of the financial and non-financial parameters to which the variable remuneration of the Executive Director accruing, as the case may be, in 2025 will be pegged.
- (iv) The amendment to the Directors' Remuneration Policy proposed for the 2025 General Shareholders' Meeting.

The Board of Directors unanimously reviewed and approved the reports and proposals of the CNRGC at its meetings in January and February 2025, proposing the corresponding resolutions in the call for the General Shareholders' Meeting.

Taking into account that the variable remuneration to be received by the Executive Director is linked, on the one hand, to the Company's financial results and, on the other, to sustainability objectives, the CNRGC had the collaboration of the Company's Financial Management and the People and Sustainability Division, which provided the qualitative and quantitative elements necessary for the committee to assess compliance with the parameters.

The Company has received support from J&A Garrigues, an external firm that has advised the Company on the application of the remuneration policy in the tax year that has now ended and the preparation of the new policy.

**B.1.2** Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There were no deviations from the procedure established for the implementation of the remuneration policy.

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

No temporary exceptions have been applied to the remuneration policy.

**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 aligning it with the long-term targets, values and interests of the company, including a reference to the measures that have been taken to ensure that the remuneration accrued has taken into account the long-term results of the company and reached an appropriate balance between the fixed and variable components of remuneration, what measures have been taken in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been taken to avoid conflicts of interest, if any.

The actions taken by the Company in relation to the remuneration system are those detailed so far in section A.1.2 of this Report.

In particular, with regard to the measures that contribute to reducing exposure to excessive risks and adjusting the remuneration system of directors to the values and long-term interests of the Company, it should be noted that:

- Directors receive a fixed assignment in their capacity as such, which is determined in the remuneration policy, and therefore approved by the shareholders. This fixed assignment is considered appropriate for the remuneration of the director's own functions, taking into account, among other things, the responsibilities they perform in the interest of the Company, the size of the Company, the characteristics of the insurance sector to which it belongs and the practice of comparable companies and the market.

- The Executive Director also receives a fixed remuneration for her executive functions that is also determined in the Remuneration Policy, and is consequently approved by the shareholders. This remuneration has also been set taking into account the functions that the Executive Director is called upon to perform in the interests of the company, based on her receiving moderate remuneration that is substantially similar to that received by comparable companies in terms of size, sector and activity.

- As for the variable remuneration of the Executive Director, as has already been mentioned, the parameters set are linked to the profitability, the improvement of management and the financial, commercial and quality results, as well as compliance with Línea Directa's sustainability plan; they are predetermined, and they are quantifiable and measurable. They are fundamental measures of the Company's value indicators, taking into account its solvency and positioning and are therefore fully aligned with the Company's sustainable growth and its interests in the medium and long term.

At the same time, it has been expressly determined in the Policy that the parameters set will never entail or generate situations that give rise to an increase in the risk profile of the Entity.

- Meanwhile, in accordance with the provisions of the Rules and Regulations of the Board of Directors, the ARCCG assumes the function of assessing, informing and proposing for the approval of the Board the remuneration of the categories of personnel who develop professional activities that may have a relevant impact on the assumption of risks by the Company, that is, the Identified Collective, with the directors in their capacity as such, and the Executive Director, including the members of the Board among the identified professionals.

- In relation to the Executive Director, to the extent that her remuneration is composed, among others, of variable components, the Company applies different adjustments to it. Thus, in addition to the proper setting of the objectives and parameters that determine remuneration, other elements have been introduced in the remuneration system that prevent excessive risk-taking, such as the deferral of 40% of the variable remuneration accrued for 3 years, the inclusion of "malus" and "clawback" clauses and the application of an indicator modulating their remuneration based on the results obtained by the Company.

- Likewise, the Policy assumes as one of its principles the appropriate proportion between the fixed and variable components, so that variable remuneration in relation to fixed remuneration will not, as a general rule, acquire a significant proportion, to avoid excessive risk-taking. Under no circumstances shall a guaranteed variable remuneration be deemed to exist. It is expressly provided that an appropriate balance between fixed and variable remuneration shall be deemed to exist when the variable component does not exceed 100% of the fixed component of the total remuneration, or that provided for by the Supervisor at any given time. The Company will do its utmost to ensure that the right balance is maintained.

- In addition, a long-term incentive plan was approved at the 2023 General Meeting, the accrual of which depends on the achievement of financial and non-financial targets over a period of three years, whereby it is only possible to obtain such remuneration through management that generates sustainable results over time.

Likewise, the remuneration policy has provided that in those situations in which the interest of the Company or the companies integrated in its Group and the personal interest of the director collide, directly or indirectly, the director must notify the Board of Directors through its Chairman or the Secretary. The management of cases of conflicts of interest is set out in more detail in section A.1.2. of this Report.

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

Also report on the relationship between the remuneration obtained by the directors and the results or other performance measures, in the short and long term, of the entity, explaining, where appropriate, how variations in the performance of the company have been able to influence the variation in the remuneration of the directors, including those accrued whose payment had been deferred, and how they contribute to the company's short- and long-term outcomes.

The remuneration accrued strictly complies with the provisions of the remuneration policy in force for the closed financial year.

The amounts indicated in section C are the result of the amounts approved by the Board and set out in the Policy, as well as the parameters and targets determined in accordance with the Policy, and in no case has any remuneration been accrued or paid during the year for items not foreseen in the Policy or exceeded the maximum thresholds set by the General Shareholders' Meeting.

Likewise, the objectives set for the accrual of the Executive Director's variable remuneration are linked to the Company's results and performance from a financial and non-financial point of view and, therefore, to its sustainable growth in the interest of shareholders and other stakeholders.

In this regard, the following factors show how the remuneration of directors is linked to the Company's results and performance in the short and long term and, therefore, to its sustained growth:

- The annual variable remuneration is linked, among other targets, to premiums written during the year, and there are minimum thresholds which, if not met, mean that the corresponding part of the incentive does not accrue. Likewise, a scale of profit before tax has been included as a modulator in the achievement of said remuneration.

- Likewise, part of the annual variable remuneration is linked to non-financial parameters such as compliance with quality and sustainability indicators. In this way, its accrual depends on the effective compliance with the predetermined thresholds, and the part corresponding to the indicators not met is not generated.

- The variable remuneration of the Executive Director does not accrue until the level of target achievement is verified by the ARCGC and the Board of Directors, and is not paid until the annual accounts have been approved, as certain metrics depend on the financial data contained therein. In order to proceed with the delivery of the corresponding shares, in compliance with the company's legal obligations under commercial law, the determination of the maximum number of shares to be delivered to the CEO as part of the annual variable remuneration for 2023, 2024 and 2025 was laid before shareholders for approval at the General Meeting of Línea Directa held on 30 March 2023.

- In 2023, the General Meeting approved a long-term Incentive Plan that requires the fulfilment of certain objectives between 2023 and 2025 for its accrual, thus linking the first line of management with the long term. 50% of the incentive accrued, if applicable, would be paid in shares; the Executive Director has a holding period of 3 years on these shares.

- Adjustments are applied to the variable remuneration of the Executive Director, including the deferral for a period of three years and the possible application of malus and clawback clauses under certain assumptions linked, among others, to the Company's results.

**B.4.** Report of the result of the advisory vote of the general meeting to the annual report on remuneration of the previous year, indicating the number of abstentions and negative, blank and in favour votes that were cast:

	Number	% of total
Votes cast	867,132,561	79.67

	Number	% over issued
Negative votes	20,128,573	2.32
Votes in favour	846,908,019	97.66
Blank votes	2,024	0.00
Abstentions	93,945	0.01

Remarks
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**B.5.** Explain how the fixed components accrued and consolidated during the year by the directors in their capacity as such have been determined, their relative proportion for each director and how they have varied compared to the previous year.

In accordance with the directors' remuneration policy in force for the financial year, the remuneration accrued by the members of the Board of Directors for their supervisory and collegiate decision-making functions consists of a fixed annual amount and allowances for attendance at each meeting of the Board of Directors and its Committees.

Within the maximum amount decided by the General Shareholders' Meeting, the Board of Directors at the proposal of the ARCGC, determined the amount that corresponds to each of the directors, the frequency and the form of payment of their remuneration, in accordance with the remuneration policy for the year now ended.

The remuneration items accrued by directors in their capacity as such in the year ended 2024 remain unchanged with respect to 2023, i.e.:

- Annual fixed amount:
  - o Executive Director: 90.000 euros.
  - o President: 120.000 euros.
  - o Board member: 60,000 euros.

- Attendance allowances, to be paid for attending each meeting of the Board or its Committees:
  - o Board of Directors: 3,000 euros per meeting for the Chairman of the Board, 2,250 euros for the Executive Director and 1,500 euros per meeting for members.
  - o Commissions: 2,000 euros per meeting for the Committee Chairman and 1,000 euros per meeting for each of the members.

In no case has the maximum amount of the annual remuneration of all the directors in their capacity as such, set at 1,500,000 euros by the General Meeting, been exceeded.

**B.6.** Explain how the accrued and consolidated salaries for each of the executive directors for the performance of management functions have been determined during the closed year, and how they have varied compared to the previous year.

As of the date of this Report, the only Executive Director and Chief Executive Officer of the Company is Ms. Patricia Ayuela de Rueda.

In accordance with the provisions of the remuneration policy for the year now ended and her commercial contract, after the application of the 6% update in 2024 on annual 312,000 euros reported in the previous year, the annual gross Fixed Remuneration of Ms Ayuela, for her executive functions, amounts to 330,720 euros in 2024, to be paid in 12 monthly instalments.

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

In particular:

- a) Identify each of the remuneration plans that have determined the different variable remuneration accrued by each of the directors during the closed year, including information on their scope, their date of approval, date of implementation, conditions in their case of consolidation, periods of accrual and validity, criteria that have been used to evaluate performance and how this has impacted on setting the variable amount accrued, as well as the measurement criteria that have been used and the time necessary to be in a position to adequately measure all the stipulated conditions and criteria, explaining in detail the criteria and factors that have been applied in terms of the time required and methods used to verify that the performance conditions or conditions of any other type to which the accrual and consolidation of each component of the variable remuneration was linked have been effectively met.
- b) In the case of stock option plans or other financial instruments, the general characteristics of each plan shall include information on the conditions both for acquiring their unconditional ownership (consolidation) and for being able to exercise such options or financial instruments, including the price and term of exercise.
- c) Each of the directors, and their category (executive directors, proprietary external directors, independent external directors or other external directors), who are beneficiaries of remuneration systems or plans that incorporate a variable remuneration.
- d) If applicable, information shall be provided on the accrual periods or deferral of payments applied and/or the retention periods or non-disposal of shares or other financial instruments, as applicable.

Explain the short-term variable components of remuneration systems:



As already indicated, directors in their capacity as such do not receive remuneration based on variable components.

The Chief Executive Officer, in turn, is the beneficiary of remuneration plans linked to variable components pursuant to the provisions of the remuneration policy in force for the tax year now ended and in her contract.

In particular, in respect of annual variable remuneration, according to the Policy, 50% will be paid in cash and 50% in shares, depending on the fulfilment of certain pre-determined targets, linked to how much strategic targets established at any time by the Company are achieved.

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.

This annual variable remuneration represents 40% of the CEO's fixed remuneration (assuming that 100% of the targets are fulfilled).

In order to achieve the best results for the Company, the achievement of variable remuneration is linked to financial and business objectives with a weight of 70% and non-financial objectives with a weight of 30%.

Each of the targets has 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%.

In 2024, the targets and level of compliance with the indicators were as follows:

- Premium issued by the insurer (with a weight of 70%): The level of achievement of this goal in 2024 has been 80%.
- Compliance with 6 actions of Sustainability Plan 2023-2025 (with a weight of 15%): The level of achievement of this goal in 2024 has been 140%.
- Compliance with the NSS – "Net Satisfaction Score" (quality indicator, with a weight of 15%): The level of achievement of this target in 2024 was 60%.

In 2024, the overall level of compliance with the previous targets was 86%. Also, applying the modulating indicator based on the 2024 consolidated PBT, the percentage achievement is multiplied by 1.5 as it was more than 131% of the PBT set as a target.

Therefore, the final level of compliance with the targets set for 2024 was 129%, resulting in a total amount payable of 170,652 euros.

The payment of 50% of such amount in cash and 50% in a number equivalent to its value in shares, taking into account that 40% will be deferred over a period of three years (13.34% in the first year, 13.33% in the second year and 13.33% in the third year of deferral), gives rise to the following settlements:

- In 2025: 51,195 euros in cash and 47,054 shares.

- In the following three years:

· In cash: 11,382 euros in 2026, 11,374 euros in 2027 and 11,374 euros in 2028.

· In shares: 10,461 shares in 2026, 10,454 shares in 2027 and 10,454 shares in 2028.

\*A reference value of 1.088 euros/share was used to determine the above number of shares of Línea Directa Aseguradora to be delivered, both deferred and non-deferred. This reference value is the average quoted price of the Línea Directa Aseguradora share at the close of business for the trading sessions between 1 January and 31 January 2025, both inclusive, as approved by the General Meeting.

This amount is accrued once the annual financial statements have been closed and compliance with the financial and non-financial indicators has been verified, following verification by the ARCGC of compliance with the targets and applicable conditions, as detailed in this Report, and their subsequent approval by the Board of Directors.

The entire variable remuneration accrued, both deferred and non-deferred, is subject to the "malus" and "clawback" clauses described above.

Former directors: In 2022, former CEO Miguel Ángel Merino González received 60% of the annual variable remuneration associated with the achievement of the 2021 targets, as reported in the 2021 ARDR, with the remaining 40% deferred and payable in three equal parts in 2023, 2024 and 2025. Thus, in 2024 he received 13,063.60 euros for this item.

#### Explain the long-term variable components of pay systems:

Section A.1.6 of this report describes of the 2023–2025 Long-Term Incentive Plan in which Patricia Ayuela is a beneficiary.

**B.8.** Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

In the closed financial year, no reduction or refund of amounts has been made since none of the circumstances provided for in the "malus" and "clawback" clauses have occurred.

**B.9.** Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

In accordance with the Policy, the Executive Director maintains the rights she has recognised in a collective unit-linked life insurance policy, subscribed by Línea Directa, through which the Entity's pension commitments are implemented.

This is a defined contribution system. According to the Policy, in 2024 the annual contribution is 30% of the fixed remuneration of the Executive Director.

The purpose of this Social Welfare System is to improve retirement benefits, in any of its modalities (ordinary or early) provided that it is full retirement.

From the moment the legal retirement age is reached, even when retirement is not taken, successive contributions to this System will no longer be made. If the Executive Director continues to provide his services at the ordinary retirement age, the accumulated funds would be reduced by 1% on a monthly basis for each additional year of service.

In addition to total retirement, this System covers the contingencies of death for any cause, and situations of Total, Absolute or Great Permanent Disability, for any cause.

The rights derived from the aforementioned insurance in favour of the Executive Director are not consolidated since there are certain circumstances identified as cases of loss of rights over this System, unless expressly agreed and written otherwise:

- In the event of the dismissal of the CEO, as well as voluntary resignation.
- In case of not complying with the agreements of non-competition and non-hiring of directors, she will not have any right derived from this pension system, and the designation of beneficiary provided for in the policy that covers the system will be null and void.

Except in the cases indicated, the executive director's irrevocable ownership of economic rights, and they will be maintained until any of the insured contingencies occur. The CEO will not have the right to dispose of the funds accumulated up to that time in advance.

**B.10.** Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

As disclosed in section A.1.8, Miguel Ángel Merino González held the position of Chief Executive Officer until 17 February 2022. As compensation for the mutually agreed termination of the contractual relationship, Línea Directa will pay a total gross amount of 675,699 euros, as reported in the 2021 ARDR. Of this amount, 60% was paid in 2022, with the remaining 40% deferred over the following three financial years, in the amount of 90,093.2 euros in each of the years 2023, 2024 and 2025. Therefore, a total of 90,093.2 euros was paid in 2024.

**B.11.** Indicate whether there have been significant changes in the contracts of those who exercise senior management functions as executive directors and, if applicable, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

In the year ended 2024, there have been no significant changes in the contract of the Executive Director.

**B.12.** Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

There are no supplementary remunerations.

**B.13.** Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

No remuneration has been paid in the form of advances, credits or guarantees.

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

In the year ended, the Executive Director accrued remuneration in kind (the social security systems described in section B.9 are not included):

1. Life Insurance with the contribution of a premium of 2,398 euros in 2024.
- 2.- Health Insurance: The Company assumes the premium of a reimbursement medical insurance for the CEO and her family unit. Amount of 8,549 euros in 2024.
3. Rental vehicle (7,744 euros in 2024) plus the expenses derived from its use (2,367 euros in 2024 corresponding to fuel).

Finally, the Company maintains a civil liability and D&O insurance policy that covers contractual contingencies that may be incurred, among others, by the Executive Director as a result of the activities of her duties.

**B.15.** Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

[ The indicated assumption did not occur. ]

**B.16.** Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

[ The indicated assumption has not occurred. ]

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

Name	Type	Period of accrual in 2024
Mr. ALFONSO BOTÍN-SANZ DE SAUTUOLA Y NAVEDA	Proprietary Director	From 01/01/2024 to 31/12/2024
Mrs. PATRICIA AYUELA DE RUEDA	Chief Executive Officer	From 01/01/2024 to 31/12/2024
Mr. FERNANDO MASAVEU HERRERO	Proprietary Director	From 01/01/2024 to 31/12/2024
ANA MARÍA PLAZA ARREGUI	Independent Director	From 01/01/2024 to 31/12/2024
RITA ESTÉVEZ LUAÑA	Independent Director	From 01/01/2024 to 31/12/2024
ELENA OTERO-NOVAS MIRANDA	Independent Director	From 01/01/2024 to 31/12/2024
JOHN DE ZULUETA GREENEBAUM	Independent Director	From 01/01/2024 to 31/12/2024

**C.1.** Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration of the company that is the subject of this report:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Per diems/allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other	Total financial year 2024	Total financial year 2023
ALFONSO BOTÍN-SANZ DE SAUTUOLA Y NAVEDA	120	36	15						171	160
PATRICIA AYUELA DE RUEDA	90	27		331	51			20	519	445
FERNANDO MASAVEU HERRERO	60	18							78	73
ANA MARÍA PLAZA ARREGUI	60	18	18						96	87
RITA ESTÉVEZ LUAÑA	60	18	6						84	79
ELENA OTERO-NOVAS MIRANDA	60	18	8						86	80
JOHN DE ZULUETA GREENEBAUM	60	18	12						90	85

## Observations

- The figures shown in this table may present minor changes with respect to other public documents containing information on directors' remuneration. This is because the figures shown in this Report must be presented in thousands of euros, with no decimals permitted.
- Short-term variable remuneration of Ms. Patricia Ayuela: The amount shown in the table (51 thousand euros) corresponds to the amount in cash accrued for the achievement of targets in 2024 (which will be paid in 2025) and not deferred over the following three financial years (2026, 2027 and 2028), in which an amount of 11,382 euros will be paid each year in cash and the same amount in shares. For the purposes of clarification, in 2025, the first deferred payment of the variable remuneration corresponding to 2023 will be made, amounting to 878 euros in cash and the same amount in shares as well as the second deferred payment of the variable remuneration corresponding to 2022, amounting to 4,820 euros in cash and the same amount in shares.
- "Other concepts" by Doña Patricia Ayuela: It corresponds to the breakdown in section (iv) of this same section.
- The total remuneration of 1,124 thousand euros includes the remuneration of the Board members in their capacity as such and the remuneration by the CEO for the performance of her executive functions. In no case is the maximum limit of 1.5 million euros set in the remuneration policy for the remuneration of the members of the Board in their capacity as such exceeded, which in 2024 amounted to 722 thousand euros.
- Former directors: Miguel Ángel Merino ceased to be a director of the Company on 17 February 2022. However, in the interests of absolute transparency, the amounts received by Mr Merino in 2024 (reporting period) from the Company as a result of remuneration referred from previous years are disclosed below:
  - Short-term Variable Remuneration of Mr. Miguel Ángel Merino: As reported in the 2021 ARDR, in relation to the variable remuneration targets set for 2021, the level of achievement was 70%, resulting in a total amount of 98,000 euros. However, 40% of this amount is subject to a deferral for a period of 3 years. Thus, in 2021 the amount of 58,000 euros was accrued (which was paid in 2022), the remaining amount being divided equally over the following three years. Therefore, a total of 13,000 euros was paid in 2024 (i.e. one third of the deferred amount).
  - Deferred compensation for contractual termination: As disclosed in the 2021 ARDR, Línea Directa will pay a total amount of 675,699 euros, gross, as compensation for the termination of the contractual relationship by mutual agreement. Of this amount, 60% was paid in 2022, with the remaining 40% to be deferred over the following three financial years, as follows: 90,093.20 euros in 2023, 2024 and 2025. Therefore, a total of 90,093.20 euros was paid to him in 2024.

(ii) Table of movements of share-based remuneration systems and gross profit of consolidated shares or financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of 2024		Financial instruments granted in 2024		Financial instruments vested in the financial year				Expired and unexercised instruments	Financial instruments at the end of financial year 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Consolidated share price	Gross profit from consolidated shares or financial instruments (€ thousands)	No. of instruments	No. of instruments	No. of equivalent shares
PATRICIA AYUELA DE RUEDA	2021-2023 Extraordinary Variable Remuneration Plan in shares	20,858	20,858			20,858	20,858	1.01	21			
PATRICIA AYUELA DE RUEDA	Annual variable remuneration in shares (2022)	14,826	14,826			4,944	4,944	0.96	5		9,882	9,882
PATRICIA AYUELA DE RUEDA	Annual variable remuneration in shares (2023)	7,045	7,045			4,227	4,227	0.96	4		2,818	2,818
PATRICIA AYUELA DE RUEDA	Annual variable remuneration in shares (2024)			78,423	78,423			0.00			78,423	78,423
PATRICIA AYUELA DE RUEDA	Long-Term Incentive Plan 2023-2025	355,083	355,083					0.00			355,083	355,083

Observations

- 2021-2023 Extraordinary Variable Remuneration in shares: The 20,858 shares correspond to the final 34% of the total amount, which was 61,350 shares. The share price corresponds to their share price on the third anniversary of Línea Directa's IPO.

- Annual variable remuneration in shares (2022): The figure of 14,826 is the number of shares corresponding to Ms Ayuela for the deferral of 40% of the 2022 annual variable remuneration that she is due to receive in 2024, 2025 and 2026. The figure of 4,944 is the number of shares to be received in 2024 as the first deferred payment of these shares, valued at the Línea Directa share price on the date of their delivery.
- Annual variable remuneration in shares (2023): The figure of 7,045 is the number of shares accrued by Ms Ayuela for the corresponding variable remuneration in 2023. The 4,227 shares correspond to the 60% non-deferred to be paid in 2024, valued at the Línea Directa share price on the date of delivery and the remaining 40% will be received in 2025, 2026 and 2027.
- Annual variable remuneration in shares (2024): The figure of 78,423 is the number of shares accrued by Ms Ayuela in the form of variable remuneration corresponding to the fulfilment of 2024 objectives. The 60% non-deferred will be paid in 2025 (47,054 shares) and the remaining 40% will be received in 2026, 2027 and 2028.
- ILP 23-25: A maximum of 355,083 shares may be delivered to the Chief Executive Officer under the 2023–2025 Long-Term Incentive Plan approved at the General Meeting held on 30 March 2023, when the plan runs its course in 2025 and achievement of the targets has been verified.
- Former directors: Miguel Ángel Merino, as a beneficiary under the 2021–2023 Extraordinary Variable Remuneration Plan in Shares, also received a total of 20,858 shares of Línea Directa Aseguradora, which is equivalent to a gross amount of 21,066 euros.
- All amounts are gross.

(iii) Long-term savings systems.

Name	Remuneration for consolidation of rights to savings systems
Mrs. PATRICIA AYUELA DE RUEDA	

Name	Contribution by the company for the year (thousand euros)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights	
	2024	FY2023	FY2024	FY2023	FY2024	FY2023	2024	2023
PATRICIA AYUELA DE RUEDA			99	94			1,204	1,005

Observations

As explained in section B.9, there are cases of loss of rights, which is why they are not consolidated.



(iv) Details of other items

Name	Concept	Remuneration amount
PATRICIA AYUELA DE RUEDA	Life insurance, health insurance, vehicle renting and fuel	20

Remarks
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[ ]

b) Remuneration of the directors of the listed company for their membership of the administrative bodies of its subsidiaries:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Per diems/allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other	Total financial year 2024	Total 2023
No data										

Observations
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[ There are no directors of the listed company who receive remuneration for their membership of the administrative bodies of entities dependent on other companies in the Group. ]

(ii) Table of movements of share-based remuneration systems and gross profit of consolidated shares or financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of financial year 2024		Financial instruments granted during the financial year 2024		Financial instruments vested in the financial year				Expired and unexercised instruments	Financial instruments at the end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Consolidated share price	Gross profit of consolidated shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Remarks

(iii) Long-term savings systems.

Name	Remuneration for consolidation of rights to savings systems
No data	

Name	Contribution by the company for the year (thousand euros)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	2023
No data								

Observations

[ ]

(iv) Detail of other concepts

Name	Item	Remuneration amount
No data		

Observations

[ ]

c) Summary of remuneration (in thousands of €):

The sums corresponding to all the remuneration concepts included in this report that have been accrued by the director, in thousands of euros, must be included in the summary.

Name	Remuneration accrued in the Company					Remuneration accrued in group companies					
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total 2024 company	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other concepts	Total 2024, Group	Total for 2024, company + group
Mr. ALFONSO BOTÍN-SANZ DE SAUTUOLA Y NAVEDA	171				171						171
PATRICIA AYUELA DE RUEDA	519	30			549						549
FERNANDO MASAVEU HERRERO	78				78						78
ANA MARÍA PLAZA ARREGUI	96				96						96
RITA ESTÉVEZ LUAÑA	84				84						84
ELENA OTERO-NOVAS MIRANDA	86				86						86
JOHN DE ZULUETA GREENEBAUM	90				90						90
<b>TOTAL</b>	<b>1,124</b>	<b>30</b>			<b>1,154</b>						<b>1,154</b>

Remarks

C.2. Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual change								
	2024	% Change 2024/2023	2023	% Change 2023/2022	2022	% Change 2022/2021	2021	% Change 2021/2020	2020
<b>Executive Directors</b>									
PATRICIA AYUELA DE RUEDA	549	13.66	483	12.85	428	-	0	-	0
<b>External directors</b>									
Mr. ALFONSO BOTÍN-SANZ DE SAUTUOLA Y NAVEDA	171	6.88	160	-8.05	174	-10.31	194	-	0
Mr. FERNANDO MASAVEU HERRERO	78	6.85	73	-3.95	76	38.18	55	-	0
ANA MARÍA PLAZA ARREGUI	96	10.34	87	-9.38	96	17.07	82	-	0
RITA ESTÉVEZ LUAÑA	84	6.33	79	-9.20	87	45.00	60	-	0
ELENA OTERO-NOVAS MIRANDA	86	7.50	80	-5.88	85	34.92	63	-	0
JOHN DE ZULUETA GREENEBAUM	90	5.88	85	-11.46	96	10.34	87	-	0

	Total amounts accrued and % annual change								
	2024	% Change 2024/2023	2023	% Change 2023/2022	FY2022	% Change 2022/2021	FY2021	% Change 2021/2020	FY2020
<b>Consolidated results of the company</b>									
	64,217	-	-4,390	-	78,758	-45.75	145,180	-	0
<b>Average employee remuneration</b>									
	42	2.44	41	2.50	40	8.11	37	-	0

**Remarks**

In the CNMV's online form, if "Consolidated profit for the year" changes from plus and minus between the two periods in which the percentage change is being calculated, the percentage data is not included, rather it will be indicated by ("-"). Therefore, the percentage change in the consolidated results for 2023 and 2024 is 1.563%.

The information for the 2021 financial year includes the amounts accrued in the 8 months from the Company's IPO, on April 29, 2021, until December 31, 2021.

**D. FURTHER INFORMATION OF INTEREST**

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If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

[ There is no relevant aspect in terms of directors' remuneration that has not been included in the previous sections of this Report. ]

This annual remuneration report has been approved by the company's board of directors, at its meeting on the following date:

[ 27/02/2025 ]

Please indicate whether any directors have voted against or abstained in relation to the approval of this Report.

[ ] Yes

[✓] No