

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON ITS OPERATION IN THE 2024 FINANCIAL YEAR

Through this report, the Línea Directa Aseguradora Audit and Compliance Committee is providing a summary of the composition, operation and main actions carried out by the Committee in 2024, as described below:

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1. Origin

Prior to the IPO of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros (hereinafter, "**Línea Directa Aseguradora**" or the "**Company**"), the Company already had an audit, internal control and regulatory compliance committee, with the composition and functions required for this type of body for public interest entities.

2. Regulation

In addition to the provisions of the Law, the internal regulation of the Audit and Compliance Committee is set out in the Bylaws (Article 30) and in the Regulations of the Board of Directors (Article 33).

The Articles of Association and the Regulations of the Board of Directors are filed with the Companies Registry of Madrid and are publicly available on the website of the CNMV and through the Company's own website (www.lineadirectaaseguradora.com).

3. Composition

Article 33 of the Regulations of the Company's Board of Directors establishes that the Audit and Compliance Committee will consist of a minimum of three and a maximum of five non-executive directors appointed by the Board of Directors, all of whom must have the necessary dedication, capacity and experience to carry out their function. The same article establishes that the majority of the members of the Committee must be independent directors.

It also provides that the members of the Audit and Compliance Committee as a whole and especially its Chairman, shall be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

As regards its chair, pursuant to the Regulations, the Board of Directors will appoint the Chair of the Committee from among the independent directors who make the Committee. The Chair of the Committee will hold that office for a maximum term of four years, at the end of which they must allow a year to go by before they may be re-elected. However, this does not affect their ability to continue or be re-elected as a Committee member.

As of December 31, 2024, the composition of the Company's Audit and Compliance Committee is as follows:

Member	Position	Legal category
Ana María Plaza Arregui	Chair	Independent External
Mr. Alfonso Botín-Sanz de Sautuola y Naveda	Member	External Proprietary
Elena Otero-Novas Miranda	Member	External Independent

Non-director Secretary of the Committee: Pablo González-Schwitters Grimaldo

In accordance with the Board Regulations, all members of the Audit and Compliance Committee for 2024 are external (non-executive), most of them independent, and have been appointed in view of their recognised personal and professional prestige and their experience and knowledge for the exercise of their functions.

The professional profiles of the members of the Commission are available at the following link on the corporate website: www.lineadirectaaseguradora.com/gobierno-corporativo/consejo-administración/perfil-profesional, as well as in the Annual Corporate Governance Report.

In relation to the Chair of the Audit and Compliance Committee, it is worth highlighting the in-depth knowledge and extensive professional experience of Ms. Ana María Plaza Arregui in auditing, accounting and finance, as well as in the identification and control of financial and non-financial risks and in regulatory compliance. Currently, she is a director and member of the Audit Committee of Corporación Financiera Alba, S.A., director and president of the Audit Committee of Globalvía Infraestructuras, S.A. and director and member of the Audit Committee of Grenergy Renovables, S.A. She is also a member of the Advisory Board of Ackermann International and the ESADE Corporate Governance Centre.

Her appointment as Chair of the Company's Audit and Compliance Committee became effective on March 18, 2021.

4. Remit

Article 33.5 of the Regulations of the Board of Directors, updated in 2024, attributes the following functions to the Audit and Compliance Committee:

5. Without prejudice to other tasks assigned to it by the Bylaws or the Board of Directors, the Audit and Compliance Committee will have the following basic responsibilities:
 - (i) Report to the General Shareholders' Meeting, through its Chair, on the Company's control status and the Committee's activities during the financial year, and on the issues within the Committee's remit raised by shareholders at the General Meeting.
 - (ii) Propose to the Board of Directors, for submission to the General Meeting, the appointment, re-election or replacement of the external auditors and external assurance providers of the sustainability information¹, as well as the conditions of their engagement, the scope of their professional mandate, the oversight of non-audit activities, and the assurance of the independence of the external auditor and assurance provider.
 - (iii) In relation to the external auditor and verifier:
 - a) Examine, if the external auditor and assurance provider happen to stand down, the circumstances which may have led to this decision.
 - b) Ensure the independence of the external auditor and verifier, as well as ensuring that their remuneration for their work does not compromise

¹ The appointment of the external assurer of sustainability information will be submitted to the General Meeting when so required by the prevailing law and regulations.

their quality or independence.

- c) Oversee that the Company reports the change of auditor as insider or material information (as appropriate) to the Spanish National Securities Market Commission (CNMV) and accompany it with a statement on the possible existence of disagreements with the outgoing auditor and, where relevant, its work.
 - d) Ensure that the external auditor and assurance provider hold an annual meeting with the Board of Directors sitting in plenary in order to report to the latter on the work performed and on the Company's accounting situation and risks.
 - e) Supervise compliance with the audit and verification contract, ensuring that the opinion on the annual accounts and the sustainability report and the main contents of the audit and verification report are written in a clear and precise manner.
 - f) Ensure that the Company and the external auditor and assurance provider comply with existing rules on the provision of services other than audit work, limits on the concentration of the auditor's business and, in general, all other rules on the external auditor's independence.
 - g) Build and maintain appropriate relations with the external auditor and the assurance provider in order to receive information on any issues that may threaten their independence, for scrutiny by the Committee, as well as any other information related to the process of auditing the accounts and verifying the sustainability information and, as the case may be, the authorisation of services other than those prohibited, as provided for by law, as well as any other communications provided for in prevailing audit legislation and audit regulations. In any case, the Audit and Compliance Committee shall receive annually the statement issued by the external auditor and the external sustainability information assurance provider confirming their independence with regard to the company or entities directly or indirectly related to it, as well as detailed and individualised information on any further services rendered and the corresponding fees received from these entities by the external auditor, or by persons or entities affiliated to them in accordance with prevailing regulations.
 - h) Issue annually, prior to the issuance of the audit report and the sustainability information assurance report, a report expressing an opinion on the independence of the statutory auditors and sustainability assurance providers or audit firms. This report must pronounce, in any case, on the provision of the additional services referred to in the previous section.
- (iv) To propose to the Board of Directors the approval of the annual report of the Audit and Compliance Committee.
 - (v) Take cognisance of, assess and receive information on the drafting process and integrity of both financial and non-financial information, along with the effectiveness of the systems in place for the control and management of



the Company's and, as the case may be, the Group's financial and non-financial risks—including operational, technological, cybersecurity, legal, social, environmental, political and reputational or corruption—, likewise reviewing compliance with regulatory requirements, the suitable scope of the consolidation perimeter and the proper application of accounting and sustainability standards. In relation to sustainability risks, it shall send the relevant reports to the Appointments, Remuneration and Corporate Governance Committee, and a joint meeting of both Committees may be held if so requested by the Chair or by a majority of its members. Any such joint meeting will be chaired by the oldest chairperson.

- (vi) In relation to non-financial information: (i) oversee the process of drawing up and presenting the non-financial information relating to the Company and its Group, gauging whether the Company and its Group have correctly applied prevailing reporting policies and regulations; (ii) review the quality, clarity, consistency and integrity of the non-financial information that the Company and its Group make public (including information on sustainability, disclosure of transactions with related parties, reports on internal risk management and control systems, corporate governance, directors' remuneration, etc.), reporting on this process and on the completeness and clarity of the information to the Appointments, Remuneration and Corporate Governance Committee, which shall then propose that such matters be submitted to the Board for its formulation; (iii) head up the process of selecting and instructing the independent provider of assurance services tasked with verifying the sustainability information and proposing the appointment thereof to the Board of Directors; and (iv) liaise with the independent assurance provider in order to obtain information on the performance of its work, and report the findings to the Appointments, Remuneration and Corporate Governance Committee.
- (vii) Report to the Board of Directors, in advance, on all the matters provided for in the law, the bylaws and in these Regulations and, in particular, on:
 - (i) Any and all financial information that the Company may be required to make public from time to time (including annual or interim financial reports, earnings presentations, management report, etc.).
 - (ii) The creation or acquisition of interests in special-purpose entities or entities domiciled in countries or territories that are considered tax havens; and
 - (iii) Transactions with related parties.
- (viii) Analyse the structural and corporate changes planned by the Company and then report to the Board based on the analysis of their economic conditions and accounting impact and, in general, where applicable, on the proposed swap ratio.
- (ix) Function as a channel for communication between the Board of Directors and the external and internal auditors and assurance providers, to assess the results of audit reports and compliance with the observations and findings made, as well as to discuss, with the auditors and assurers of the sustainability information, the work plans in place in relation to the audit or



assurance of the Company and its Group, including the determination of materiality, and specifically, in the realm of sustainability, how double materiality has been determined, along with any significant weaknesses in the internal control system identified during the course of the audit and assurance work.

- (x) Supervise the application of the general policy on the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders.
- (xi) Report to the Board of Directors before the latter makes any decision regarding the incorporation of companies, associations, foundations and any other type of legal person (including special purpose entities), as well as any other transactions or arrangements of a similar nature which, due to their complexity, could diminish the transparency of the Company.
- (xii) To be aware of the reports on the Company issued by supervisory bodies, especially the Directorate General of Insurance and Pension Funds and the National Securities Market Commission, as a result of inspection actions and to supervise compliance with the actions and measures that are a consequence of the inspection reports.
- (xiii) Ensure the reliability and transparency of the Company's internal and external information on earnings and activities and, in particular, verify the integrity and consistency of the Company's financial statements, including the annual accounts, notes to the financial statements and management report, prior to their approval or proposal by the Board of Directors and its publication, and oversee the Company's policy in relation to issue prospectuses and other forms of public information.
- (xiv) Ensure that the financial statements presented by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with prevailing accounting regulations. In those cases where the external auditor has issued their report with a qualified opinion, the Chair of the Audit and Compliance Committee shall clearly explain in the General Shareholders' Meeting the Committee's view on the content and scope of this qualification, and make a summary of it available to shareholders at the time of publication of the call to the General Shareholders' Meeting, together with the Board's other proposals and reports.
- (xv) Oversee and foster compliance with the Company's Internal Regulations of Conduct in the Securities Market, reporting to the Appointments, Remuneration and Corporate Governance Committee.
- (xvi) Supervise and foster compliance with the Company's Code of Ethics, Supplier Code of Conduct and other internal rules of conduct.
- (xvii) Oversee the performance of the functions ascribed to the Company's Regulatory Compliance function and the Personal Data Protection Office.
- (xviii) Receive annual reports on complaints and claims and matters received from the ombudsman.



- (xix) Support and monitor the proper functioning of the confidential whistleblowing procedure for employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, so that they may report any potentially serious irregularities, especially those of a financial or accounting nature, that they may observe within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.
- (xx) Receive information on any disciplinary action that could affect the Company's directors, as a result of employment misconduct or breaches of internal codes of conduct, convey the relevant policies and instructions to the Company's competent bodies and in those cases which, in the Committee's judgement, are of particular importance, take the final decision.
- (xxi) Guarantee the independence, autonomy and universality of the internal audit function and propose its budgets. Propose the selection, appointment and removal of the head of the internal audit service, ensuring that their activity is primarily focused on material risks (including reputational risk) and receive regular information about their activities, verifying that senior management takes into account the findings and recommendations set out in their reports. The Committee Chair shall likewise receive regular reports on the arrival and departure of personnel to and from the internal audit area and, in the case of new recruits, shall review their profile. The Committee Chair shall also annually assess the functioning of internal audit and the performance of the head of internal audit.
- (xxii) Supervise the activities of the Company's internal audit and, where appropriate, its subsidiaries, approve its annual work plan and annual activities report, along with the approval or amendment of the policy of the internal audit function, which shall include its functions and competences.
- (xxiii) To supervise the development by the Company and, where appropriate, its subsidiaries, of the following functions: (i) risk management and internal control; (ii) verification of regulatory compliance; and (iii) actuarial.

The Audit and Compliance Committee shall carry out this supervisory power with the information provided to it by the heads of each of these functions, who shall appear periodically before the Committee and whenever they are requested by it to do so. In addition, the Audit and Compliance Committee shall have the power, where it considers it appropriate or opportune, to propose the appearance of any of these heads of function before the Company's Board of Directors.

As part of its supervisory function over the risk management and internal control function, the Audit and Compliance Committee shall periodically review the functioning of the appropriate internal control systems that ensure the proper management of the Company's risks. The Committee shall ensure that the policies and systems established in internal control matters are implemented effectively in practice.

- (xxiv) Discuss with the auditors the significant weaknesses of the internal evaluation system of the risk management and internal control function that may have been detected in the development of the audit.
- (xxv) Review the Company's general risk map and submit the corresponding proposals to the Board.
- (xxvi) Oversee and guarantee that the internal audit and compliance functions have sufficient means and resources.
- (xxvii) To report on related-party transactions of directors and significant shareholders with the power, where appropriate, to authorise them under the terms established in these Regulations.
- (xxviii) Approve or amend internal policies that relate to the functions and competences of the Audit and Compliance Committee and which in turn shall contain their functions or competences.
- (xxix) Take note of any irregularities, breaches or material risks detected in the course of the control activities carried out by the competent areas within the Company.
- (xxx) Review any other matter within its competence that is submitted to it by the Board of Directors, the Chairman, the Vice-Chairman or the Chief Executive Officer.
- (xxxi) Any other functions ascribed to it by these Regulations or by the Board of Directors.

5. Operation: Meetings and main actions in 2024

As provided for in Article 33.6 of the Board's Regulations, the Audit and Compliance Committee shall meet periodically as necessary and at least four times a year.

In the 2024 financial year, this Committee has met **10 times**, with an **attendance ratio of 100%**.

The individualised attendance data are as follows:

Director	Meeting Attendance
Ana María Plaza	10/10
Alfonso Botín-Sanz de Sautuola y Naveda	10/10
Elena Otero-Novas	10/10

Key actions carried out in 2024 include:

- (i) **Monitoring of regular financial reporting**

During 2024, the Audit Committee reviewed and, as the may be, submitted to the Board for approval, after referral to the regulator and the market, the quarterly financial reports, the half-yearly consolidated financial statements with the interim consolidated management report, the individual and consolidated Annual Accounts with the annual management report, the dividend distribution proposal or the solvency and financial condition report.

(ii) Internal audit follow-up

The Director of Internal Audit has reported quarterly to the Audit and Compliance Committee on the actions carried out by the Internal Audit Area. The Committee has regularly monitored the degree of progress of the 2024 annual Internal Audit plan, analysing the status of the audits in progress and the evolution of the proposed recommendations.

The Audit and Compliance Committee has also approved the annual Internal Audit plan for the 2025 financial year, which describes in detail the actions it plans to carry out during the year, as well as its resources and budget.

(iii) Relationship with the external auditor

During 2024, the external auditors were summoned and attended the meetings of the Committee, at which they were required to report on issues such as the review of the solvency and financial condition report (SFCR), the recommendations on internal control and risks, the review of the interim statements and the main conclusions of the audit of the annual accounts, both individual and consolidated.

As regards the independence of the auditor and the assurance provider of the Non-Financial Statement (hereinafter, the external auditors), the Audit and Compliance Committee, at its meeting held on 25 February 2025, issued a report expressing a favourable opinion on the independence of the external auditors, stating, among other aspects, its opinion regarding the provision of audit-related services, concluding that there were no threats to the independence of the external auditor that would have required the application of safeguards or that could render the external auditors incompatible for the functions entrusted to them. All the work has also been previously authorised by the Commission.

At the same meeting on 25 February, the Committee proposed the re-election of PwC as auditors of the annual and consolidated accounts for the 2025 financial year, which will be submitted to the General Shareholders' Meeting.

In 2024 the Audit Committee agreed to initiate the process of selecting the auditors and assurance providers of sustainability information for financial years 2026, 2027 and 2028. The proposed appointment will be submitted to the General Meeting of Shareholders to be held in 2026.

(iv) Internal control and risk management

The Committee supervised and monitored:



- The Risk Management and Internal Control report (quarterly and annual)
- Information on the system of ICFR, in accordance with the ICFR Policy and the Company's Accounting Policy Manual.
- Information on the state of reserves and solvency.
- The Risk Maps.

Also in 2024, the Own Risk and Solvency Assessment (ORSA), the Solvency and Financial Condition Report (SFCR) and its revision report, and the Quantitative Reporting Templates (QRTs) were submitted to the Committee for review prior to their approval by the Board and disclosure to the regulator.

(v) Regulatory Compliance

The Audit and Compliance Committee has supervised the performance reports submitted by the Company's Regulatory Compliance function on a quarterly basis, together with the monitoring of the annual Compliance Plan. Likewise, it has been periodically informed on issues such as the regulatory developments applicable to the company or related to its areas of activity, the regulatory risk map, the outsourcing of certain services, the status of ongoing litigation or the regulator's information requirements.

(vi) Code of Ethics and whistleblowing channel

In 2024, the Ethics Manager submitted to the Committee the Annual Code of Ethics Management Report for 2023 and the Committee monitored the level of compliance with the Group's Code of Ethics and the functioning of the whistleblowing channel.

(vii) The Actuarial Function

The Committee oversaw the management of the Actuarial Function, and reviewed quarterly and annually the monitoring reports received from this function.

(viii) Related Party Transactions

The Audit Committee issued the relevant reports on related party transactions of significant shareholders with the company, in accordance with the provisions of the Board Regulations. The details can be found in the annual related-party transactions report for the 2024 financial year.

(ix) Policy Approval and Update

With respect to internal policies or other regulations relevant to the functions and responsibilities of the Audit and Compliance Committee, the Committee has reviewed and approved, inter alia, the following policies and documents or amendments thereto:

- Tax Strategy
- Integrity Policy
- Principles of ethical use of Artificial Intelligence
- Product Control and Governance Policy
- Compliance Policy
- Outsourcing Policy
- Social Impact and Financial Inclusion Policy
- Investment Policy and Sustainable Investment Policy
- Policy of the System of Internal Control over Sustainability Reporting (ICSR)

(x) Reporting to the Board

The Commission has promptly informed the Management Board, through its President, of the main matters dealt with and has submitted to it for approval the matters within its competence.

6. Conclusions of the annual evaluation

The evaluation process of the Audit and Compliance Committee has been carried out during the months of November, December and January of 2024-2025 and has been based on the completion by all its members of a questionnaire that has covered in general the areas provided for in Recommendation 36 of the Code of Good Governance.

Specifically, the following matters have been analysed:

- i. Composition, size and structure.
- ii. Organisation and documentation of the sessions.
- iii. Meeting dynamics and internal climate.
- iv. Performance of the functions of the Board and its Committees.
- v. Performance of the Chief Executive Officer, the Committee Chair and the Chairs of the other Committees.

The result of the evaluation has not led to any significant changes in the Company's internal organisation, without prejudice to the fact that an Action Plan has been approved to introduce certain improvements. These include enlarging the size of the Board of Directors, strengthening in practice the coordination between the Audit and Compliance Committee and the Appointments, Remuneration and Corporate Governance Committee on non-financial information, continuing the training programme for Board members, and enhancing the Board's interaction with Directors.

The overall rating given to the performance of the Audit and Compliance Committee in 2024 was very positive, with a score of 4.6 out of 5, and the overall rating awarded to the Committee's chair was 5 out of 5.

7. Preparation and publication of this report



The Audit and Compliance Committee drafted this report at its meeting of 25 February 2025 and submitted it for the approval of the Board of Directors, which agreed to publish it on the corporate website ahead of the Annual General Meeting, pursuant to Recommendation 6 of the Code of Good Governance.