



**TEMPLATE ANNEX I
ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED
PUBLIC LIMITED COMPANIES**

IDENTIFICATION DATA OF THE ISSUER

YEAR END-DATE 31/12/2023

TAX ID (CIF): A-
80871031

Company name:

LÍNEA DIRECTA ASEGURADORA, S.A. COMPAÑÍA DE SEGUROS Y REASEGUROS

Registered office:

Tres Cantos (Madrid), Calle Isaac Newton, 7.

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

A COMPANY REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current policy of director remuneration applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are 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, as a minimum:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and 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

Remuneration policy for directors of Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros ("**Línea Directa**", the "**Company**" or the "**Entity**") in force for the year in progress is the policy approved by the General Shareholders' Meeting of 24 March 2022 (the "**Policy**" or the "**Remuneration Policy**") applicable as from its approval and for the following three years (i.e. 2023, 2024 and 2025).

At the General Meeting held on 30 March 2023, it was resolved to amend the Policy by adding a provision whereby the Board of Directors may include, at the reasoned proposal of the Appointments, Remuneration and Corporate Governance Committee ("**ARCGC**"), an indicator that modulates the degree of compliance with the financial and non-financial targets set annually (the "**modulator**"), doing so by between 0.5 and 1.5, according to a compliance scale to be approved by the Board of Directors at the proposal of the ARCGC. All other provisions of the Policy remain intact.

As a general rule, the Policy regulates the following aspects:

- i. General principles on which the Policy is based.
- ii. Process of determining, reviewing and applying the Remuneration Policy.
- iii. Remuneration system for directors in their capacity as such.

- iv. Remuneration system of the CEO for her executive functions.
- v. Main terms and conditions of the contract of the executive director.
- vi. Relationship of the Policy with the remuneration conditions of employees.
- vii. Contribution of the Policy to the strategy, interests and long-term sustainability.
- viii. Temporary exceptions.
- ix. Validity.

Description of the procedures and bodies of the company involved in the determination, approval and application of the remuneration policy and its conditions.

In accordance with the Regulations of the Board of Directors, the Board is empowered to take decisions regarding directors' remuneration, within the statutory framework and, where applicable, the remuneration policy approved by the General Meeting.

On the basis of the maximum annual amount fixed and approved by the General Meeting for the remuneration of directors in their condition as such, the Board of Directors is responsible for setting the individual remuneration, frequency and method of payment of each director, at the proposal of and following a report by the ARCGC. 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.

The Board of Directors is also responsible for determining the individual remuneration of each director for the performance of the executive functions assigned to them, in accordance with the provisions of their contract and remuneration policy, at the proposal of and following a report by the ARCGC, as well as the approval of their contracts with the Company.

Furthermore, the ARCGC is responsible for monitoring the degree of implementation of remuneration policy in general during the financial year, and ensure its enforcement.

Information on whether any external advisor has participated and, where appropriate, their identity.

The prestigious firm J&A Garrigues was engaged as an independent external advisor in determining the remuneration policy for the current directors.

Indicate and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.

As for comparable companies, the data published by the regulator in its annual reports on the average remuneration of the directors of listed companies have been taken into account, especially the data of comparable insurance companies listed on the Spanish stock market and engaged in substantially similar business activities, as well as the average remuneration of directors of companies that are comparable on the basis of market capitalisation.

Procedures contemplated in the current director remuneration policy to apply temporary exceptions to the policy, conditions in which these exceptions can be used and components that may be subject to exception according to the policy.

The Línea Directa Board of Directors, following a proposal from the ARCGC, may approve the application of temporary exceptions to the Remuneration Policy which will, in any event, be limited to exceptional situations in which the lack of implementation of the Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

Only the remuneration components set out in section 4 of the Remuneration Policy, relating to the remuneration system for executive directors, will be subject to exception, avoiding the allocation of guaranteed extraordinary remuneration.

In any event, the Company shall take into account the principles of paragraph 1 of the Policy and shall adequately inform in the corresponding Annual Report on Directors' Remuneration of the exceptional situation which has led the Board of Directors to approve the application of the temporary exception, as well as the component(s) subject to that exception.

- A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system in order to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place 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 amount 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.

In addition to the remuneration referred to in the previous paragraph, the executive director shall be entitled to receive an annual remuneration for the exercise of her executive powers and in the context of the commercial administrative contract that associates her with the Entity, which has a fixed and a variable part depending on the fulfilment of previously established targets, aligned with prudent risk management and adjusted to the long-term interests of the Entity. The executive director also has the right to participate in the long-term variable remuneration systems that the Company decides to implement at all times.

Therefore, the references to the remuneration mix in this report are made in relation to the remuneration of the executive director, whose remuneration system is composed of fixed and variable items. The particular details of the short- and long-term incentive schemes in force in the current financial year are described in the following sections of this Report.

One of the principles underlying the Directors' Remuneration Policy is the appropriate ratio between the fixed and variable components, expressly establishing that, in order to avoid excessive risk-taking, variable remuneration in relation to fixed remuneration will not, as a general rule, acquire a significant proportion without there being a guaranteed variable remuneration. On that basis, in order to ensure an appropriate balance between the fixed and variable components of the remuneration of the executive director, the director's remuneration policy has been based on the remuneration system in general, which establishes a system whereby the fixed remuneration is sufficient and adequate to remunerate the functions performed without depending excessively on the variable components, since the latter are based on a completely flexible incentive policy, which includes the possibility of not paying any variable component. Along this line, the directors' remuneration policy establishes 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. In this regard, Línea Directa will make its best efforts to maintain an adequate balance between the fixed and variable components of the total remuneration of the executive director.

Based on the foregoing, the relative importance of the executive director's variable remuneration means that, combined with annual variable remuneration and long-term variable remuneration, and depending on the personal performance of the executive director and the degree of fulfilment of the targets set for accrual, there is a balance between the fixed and variable components of the remuneration, without this leading to a high dependency on the variable remuneration. Thus, the target annual variable remuneration of the executive director in the short term represents approximately 29% of the total annual remuneration (sum of the Fixed Remuneration and Target Annual Variable Remuneration).

When including the amount of the annualised Extraordinary Variable Remuneration Plan, the Target Annual Variable Remuneration would represent approximately 27% and the Annualised Extraordinary Variable Remuneration Plan 7% of the total annual Remuneration (sum of the Fixed Remuneration, the Target Annual Variable Remuneration and the Annualised Extraordinary 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 this way, as indicated in the Remuneration Policy, its ultimate objective is to contribute to the development of the mission, vision and values of Línea Directa, constituting a tool that contributes to the achievement of the objectives of its business strategy.

Measures provided to avoid conflicts of interest.

The Remuneration Policy establishes that the director shall notify the Board of Directors, through its Chairman or Secretary, of any situation of conflict of interest, direct or indirect, in which they find themselves. Article 17 of the Rules and Regulations of the Board of Directors defines a conflict of interest as being situations when the interest of the Company or the companies in its Group and the personal interest of the director directly or indirectly clash.

Measures in relation to 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.

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.

In relation to accrual periods, the annual variable remuneration only accrues after the effective verification of the level of compliance with the previously established targets. Regarding the Extraordinary Variable Remuneration Plan in shares (the "**Extraordinary Variable Remuneration Plan in Shares**"), approved at the General Meeting on 18 March 2021, whereby beneficiaries may choose to receive a certain number of Línea Directa shares progressively over the three years following the date of listing of the Company, the accrual schedule and all other terms and features of the plan are described in section A.1.6 of this Report. Details of the 2023–2025 Long-Term Incentive Plan (the "**23–25 LTI**") approved at the last General Meeting are provided in the same section.

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. During the deferral period, deferred remuneration shall 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 malus and clawback clauses:

Malus clauses: Deferred variable remuneration pending payment may be reduced by up to 100% if, during the consolidation period, one of the following circumstances occurs:

- 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 results taken into consideration to determine the amount of the variable remuneration to be paid.

- Where a competent authority requires or recommends that the Entity restrict its dividend distribution policy.
- If the executive director has significantly contributed to obtaining poor financial results for 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 being involved.
- The executive director has been sanctioned for a serious and intentional breach of any of the internal Línea Directa rules that may apply to her.
- When regulatory sanctions or judicial convictions occur, as well as non-compliance with the Entity's internal codes of conduct.

Clawback clauses: The variable remuneration already paid to the executive director (whether deferred or not) will be fully or partially clawed back by Línea Directa if, during the two years immediately after payment, it becomes apparent that the payment was fully or partially made on the basis of information whose falsehood or serious inaccuracy has been demonstrated a posteriori, or risks or other circumstances not foreseen or assumed by the Entity arise during the conditional period that have a negative material effect on the P&L accounts of any of the years in which it is applicable and, in any event, when, during that two-year period, any of the situations described in the cases of malus clauses take place that, had it occurred, would have resulted in 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 time by the Annual General Meeting, the board of directors, following a proposal by the ARCGC, will issue a report which will determine the corresponding amount for each of the directors, the frequency and the payment method of their remuneration, in accordance with the Remuneration Policy, and may even determine that only some of them will receive remuneration.

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.

Within the above limits and conditions, the items of remuneration recognised to directors in their capacity as such remained unchanged during the year and are as follows:

- Annual fixed amount:
 - o executive director: 90,000 euros.
 - o Chairman: 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 Committees: 2,000 euros per meeting for the Committee Chairman and 1,000 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.

Patricia Ayuela de Rueda is the only executive director of the Company as of the date of this report.

Subject to the provisions of the Policy, in accordance with market studies and analyses drawn up by external third parties and the average increases in the remuneration of the Línea Directa senior management, at the proposal of the ARCGC, 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.

In this regard, the Board of Directors has agreed to raise the gross annual fixed remuneration for executive functions of the Chief Executive Officer (which amounted to 312,000 euros in 2023) by 6%, to be paid in 12 monthly instalments, resulting in a new fixed annual remuneration for executive functions of 330,720 euros for 2024. This update has been carried out in accordance with section 4.1 of the Remuneration Policy. This is mainly due to prevailing economic conditions within the market and to the progressive equalisation of her fixed remuneration, so as to bring it closer to the market median of other listed companies considered comparable in terms of capitalisation and turnover. All of this is consistent with current market practices, both in terms of remuneration and specific talent practices, according to which remuneration should be sufficient to retain talent and provide adequate compensation given the dedication, qualifications and level of responsibility required by the position.

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 and be given access 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. A life insurance policy, the renewal of which will be formalised in the first quarter of 2024, with premium payable at that time expected to be similar to that of 2023, which amounted to 2,189 euros.

2. Health Insurance: The Company assumes the premium of a reimbursement medical insurance for the CEO and her family unit, which in 2024 amounts to 8,549 euros.

3. Leased vehicle (cost of 7,744 euros in 2024), plus all expenses associated with 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, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

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

The executive director, on the other hand, is a 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 targets, linked to the degree to which the strategic targets set by the Board of Directors from time to time are achieved.

In any case, the 50% of the annual variable remuneration paid in shares will be paid if it is approved by the Línea Directa Annual General Meeting, under the terms of Article 219 of the

Spanish Corporate Enterprises Law. 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). The shares to be delivered as annual variable remuneration will be calculated with the following as a reference: average closing price of the Línea Directa Aseguradora share between January 1 and 31 of the year following the year to which the annual variable remuneration corresponds (both inclusive).

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, variable remuneration will be paid out based on financial and business targets, with a weighting of 70%, and non-financial targets, with a weighting 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 2024 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 95.90% of target compliance must be achieved. The target achievement can range from 60% (in the case of 95.90% compliance with the target) to 140% (in the case of 102.30% compliance with the target).
- 2023-2025 Sustainability Plan: Compliance with a set of pre-determined "Level 1" actions under the Sustainability Plan, with a weight of 15% of the total amount awarded. With a degree of achievement ranging from 50% to 140%, depending on the number of actions completed.
- Compliance with the NSS ("Net Satisfaction Score"), with a weighting of 15% of the total amount awarded, which may also be achieved at a level of between 60% and 140%.

Moreover, the General Meeting held in 2023 passed a resolution to vest powers in the Board of Directors, at the proposal of the ARCGC, to include a modulating indicator for the annual variable remuneration of the Chief Executive Officer based on the earnings and results of the Línea Directa Group.

More precisely, the degree of overall compliance with the three indicators described above will be adjusted by using the modulator proposed in 2024 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 65.2% of the Group's consolidated PBT target in the annual accounts for 2024; and 1.5 in the case of overachievement of the PBT target of 131%.

Therefore, if the minimum achievement of the PBT target were not reached, the achievement of each of the financial and non-financial targets would be multiplied by 0.5.

Evaluation of compliance with the financial parameters will be measured against the annual accounts prepared 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 the verification of the effective degree of compliance with the targets set by the Company for the period considered. The corresponding settlement, if applicable, will typically 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.

The Executive Director is also a beneficiary under the **Extraordinary Variable Remuneration Plan in Shares**, which ends in 2024.

As described earlier, the Plan is based on the delivery of a certain number of Línea Directa shares, following the Company's IPO on 29 April 2021 and whereby shares are delivered to coincide with the successive anniversaries of that event over a three-year period.

The main purpose of the Plan is to recognise the effort made by the management team during the Company's IPO, to retain the Company's managerial talent and to motivate the beneficiaries during the admission to trading of Línea Directa's shares, as well as to commit the first levels of management to the interests of the shareholders.

Beneficiaries of the Plan are the members of the Company's management team at the date of admission to the Company's listing, including the Company's CEO. Unless otherwise agreed, there will be no right to receive payment under the Plan if the subject's employment or commercial relationship is terminated during the term of the Plan, although they will be entitled to retain any shares already received, unless such shares are to be returned under the clawback clause.

The total number of Línea Directa Aseguradora shares to be delivered to the CEO is 61,350 shares. This figure results from dividing 100,000 euros by the weighted average price of the shares of Línea Directa Aseguradora by the thirty (30) business days after the date of admission to trading of said shares. This weighted average share price was €1.63/share.

Subject to the terms of the Plan, 34% of the Plan's shares will be delivered to the CEO in 2024. Delivery will take place during the five working days following 29 April 2024, this being the date of the third anniversary of the public listing of Línea Directa's shares (29 April 2021). This will be the last delivery of shares provided for in the Plan.

This long-term variable remuneration in shares is also subject to the malus and clawback clauses, as well as the CEO's obligation to hold on to the shares, in the sense that she may not transfer ownership of the shares until a period of at least three years has elapsed.

The General Shareholders' Meeting held on 30 March 2023 approved the participation of the Chief Executive Officer in the **2023–2025 Long-Term Incentive Plan**.

More precisely, the following indicators were approved by the General Meeting and will be measured from 1 January 2023 to 31 December 2025:

- 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.

The incentive, if any, that the Chief Executive Officer will be entitled to receive will be determined after the end of the measurement period, based on the degree of target achievement. 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").

According to the terms of the Remuneration Policy, there is no assurance that any variable remuneration will be paid. More precisely, for each indicator a minimum level or threshold of compliance is foreseen, which will be calculated according to a preset 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% of the amount of the incentive will be settled, in halves, in cash and in shares, on the Settlement Date.
- The remaining 40% of the Incentive will be settled, in halves, in cash and shares, on a deferred basis, by thirds, for a period of three years.

This long-term variable remuneration in shares is also subject to the malus and clawback clauses, as well as the Chief Executive Officer's obligation to maintain the shares, who may not transfer ownership until a period of at least three years has elapsed.

A.1.7 Main features 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 indicate whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain targets or parameters related to the short- and long-term performance of the director.

According to the Policy, the executive director maintains the rights recognised to her in a collective life insurance policy of the collective unit linked modality, underwritten by Línea Directa, which implements the entity's pension commitments. 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 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 agreements relating 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 year, the only executive director of the Company is the CEO, 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 by unilateral will of the Company and in certain cases by the will of the Executive Director will entitle the director to receive compensation calculated in accordance with the rules provided for in the Workers' Statute. For these purposes, when calculating this compensation, the seniority of the Executive Director from 11 March 2003 until the date of termination as Executive Director, and the remuneration set out in section 4.1 (Fixed Remuneration) and 4.4 (Variable Remuneration) of the Policy that the Executive Director was receiving on the date that the employment relationship is terminated will be taken into account.

In any case, payments for termination of the contract may not exceed an amount equivalent to two years of the total annual remuneration of the Executive Director at the time of termination of the contract, and will not be paid until the Company has been able to verify that the Executive Director has complied with the criteria or conditions established for its payment. However, this does not prejudice the compensation to which the Executive Director is entitled for the termination of the employment relationship that is kept in abeyance.

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. As compensation for those obligations, the Executive Director shall receive compensation equivalent to 50% of the total of the last annual fixed remuneration agreed for the current year, which shall 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.
- Obligation of confidentiality: a rigorous duty of confidentiality is established during the term of the relationship and also upon termination.
- Exclusivity: the Executive Director undertakes not to enter into other employment, commercial or civil contracts or contracts of any other nature with other persons,

companies, bodies or entities herself or for related persons, regardless of whether or not they are family members, nor through legal persons or entities or organisms, nor to provide labour, commercial or civil services or of any other nature for any natural person, legal person or entity if they are engaged in activities that involve competition or competence with any of the activities to which Línea Directa or any other company of the Group is dedicated, unless prior and express written permission of the Board of Directors of the Company is given, which it will grant (or not) with total discretion, being in any case subject to the provisions of the Rules and Regulations of the 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, at the time of the transfer, the Executive Director has a net economic exposure to the variation 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 ARCGC, to cover the costs of any unforeseen extraordinary situations.

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

Additional remuneration for directors is not expected to be accrued in 2024 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 company is not planning on granting advances, credits and guarantees and other remuneration to the director in 2024.

- 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 2024.

- A.2 Explain any relevant changes to the remuneration policy applicable in the current financial year resulting from:

- a) A new policy or policy modification 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.

The General Meeting held on 30 March 2023 approved the amendment of the Policy in order to grant, to the Board, the power to include a modulating indicator for the Chief Executive Officer's annual variable remuneration, based on the Group's results.

The purpose of the proposal was to increase the alignment of the CEO's remuneration with the strategic priorities of the Company and its shareholders as regards Línea Directa Group's P&L.

Following approval of the proposal, the remuneration scheme for the Chief Executive Officer's annual incentive is as follows:

- Achievement of the variable remuneration continues to be linked to financial and business targets, with a weight of 70%, and to non-financial targets, 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%.

- Further, the Board of Directors may include, at the substantiated proposal from the ARCGC, an indicator that modulates the degree of fulfilment of the financial and non-financial targets established annually (the "modulator"), multiplying the degree of fulfilment of these targets by between 0.5 and 1.5, depending on a fulfilment scale to be approved by the Board of Directors at the proposal of the ARCGC.

This amendment to the Policy applied during the financial year, as explained at greater length in sections A.1.6 and B.9 of this Report.

- 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/documents/652707/692730/pol%c3%adtica+de+remuneraciones+consejeros.pdf/19fae386-ab05-4b98-0da8-873b5ed7384c?t=1648549171801>

- 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 2022 was 94.8% in favour. While two percentage points below the figure reached in 2021, it does not reveal any significant level of dissent and demonstrates broad support among a majority of shareholders for the director remuneration policy to determine their remuneration for the year. In any case, the Company will pay close attention to this point.

The amendment to the Policy to introduce the possibility of approving an indicator that modulates the CEO's variable remuneration based on the Bank's earnings, as explained in detail in the last report, received strong support from shareholders, with more than 99.8% voting in favor.

This has been interpreted as being tantamount to support from shareholders with the notion of aligning the CEO's variable remuneration with the performance of Línea Directa in terms of earnings and satisfying the interests of its shareholders. It also takes on board the recommendations regarding the remuneration of Board members included in the Good Governance Code of Listed Companies of the CNMV, and of the competent supervisory bodies of the securities and insurance markets.

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

- B.1.1 Explain the process that was followed to implement the remuneration policy and to determine the individual remuneration reflected in section C of the present 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 to the different corporate bodies in terms of remuneration.

In particular, the ARCGC, 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 2023 by the directors, in accordance with the amounts provided for in the Policy, and its update for 2024 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 2023.
- (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 2024 will be pegged.

The Board of Directors unanimously reviewed and approved the reports and proposals of the Appointments, Remuneration and Corporate Governance Committee at its meetings held in January and February 2024.

Taking into account that the variable remuneration to be received by the executive director is linked both to the ordinary financial results of the Company and to sustainability targets, the Committee had the collaboration of the Company's Human Resources and Sustainability Division and Financial Division, which provided the qualitative and quantitative elements needed for the Committee to assess compliance with the parameters and develop the rest of its functions in this matter.

The Company relied on the support of the external firms J&A Garrigues and EY, which advised the Company in the application of the remuneration policy for the financial year now ended.

- B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that 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 that have been detailed so far in section A.1.2 of this Report, highlighting the strict application of the regulations that the Company has endowed internally in relation to the remuneration of directors since its IPO.

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

- Directors receive a fixed remuneration in their capacity as such, which is determined in the Remuneration Policy, and therefore approved by the shareholders. This fixed remuneration 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 constitute fundamental tools for measuring the Company's value indicators, taking into account their solvency and positioning, and therefore, are fully aligned with the sustainable growth of the Company 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 imply 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 ARCGC 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 adequate setting of the targets and parameters that determine the remuneration, other items have been included in the remuneration system that prevent excessive risk-taking, such as the deferral of 40% of the variable remuneration accrued over three years, the inclusion of malus and clawback clauses and the use of an indicator that modulates their remuneration based on the company's performance.
- Likewise, one of the principles of the Policy assumes the adequate proportion between the fixed and variable components, so that the variable remuneration in relation to the fixed remuneration will not acquire, as a general rule, a significant proportion, to avoid the excessive assumption of risks. 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 conflicts of interest are set out in more detail in section A.1.2. of this Report.

- B.3 Explain how the remuneration accrued and vested in the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the sustainable and long-term performance of the company.

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 current remuneration policy.

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.

As also stated above, the targets set for the accrual of the variable remuneration of the executive director are fully linked to the results and performance of the Company from a financial and non-financial standpoint, and therefore to its sustainable growth in the interest of shareholders and other stakeholders.

In this regard, the following factors allow us to verify how the accrued remuneration of the directors is linked to the Company's results and short- and long-term performance and, therefore, 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. In addition, a pre-tax profit scale has been included to modulate the achievement of this remuneration, which, as will be soon seen in the specific amounts received, was applied in 2024 to lower the amount of variable remuneration ultimately received.
- 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.

- There is an Extraordinary Variable Remuneration Plan in shares that links the Executive Director with the interests of the shareholders, when the payment is made in Línea Directa shares. The Executive Director must hold these shares for a period of three years. In addition, in 2023, the General Shareholders' Meeting approved a Long-Term Incentive Plan that requires certain targets to be met between 2023 and 2025 in order for the incentive to accrue, thus linking the remuneration of senior management to the Company's long-term performance.
- 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	846,994,980	77.81

	Number	% over issued
Negative votes	43,586,048	5.146%
Votes in favour	803,342,322	94.846%
Blank votes	0	0
Abstentions	66,610	0.008%

Observations

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, the remuneration accrued by the members of the Board of Directors for their supervisory functions and collective decision 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 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.

The remuneration items accrued by the directors in their capacity as such in the financial year ended 2023 remain unchanged compared to 2022, i.e:

- Annual fixed amount:
 - o Executive Director: 90,000 euros.
 - o Chairman: 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 Committees: 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.

The only executive director and CEO of the Company as of the date of this Report is Patricia Ayuela de Rueda, who was appointed executive director and CEO on 17 February 2022.

In accordance with the provisions of the Remuneration Policy and her commercial contract, after the application of the 4% update in 2023 on annual 300,000 euros reported in the previous year, the annual gross Fixed Remuneration of Ms Ayuela, for her executive functions, amounts to 312,000 euros in 2023, 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 vested in the year last ended.

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 unconditional ownership (consolidation) and for exercising 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) Where appropriate, mention the established periods of accrual, vesting or deferral of the payment of vested amounts that have been applied and/or the retention/non-disposal periods of shares or other financial instruments, if any.

Explain the short-term variable components of remuneration systems
<p>As noted above, directors in their capacity as such do not receive remuneration based on variable components.</p> <p>The Chief Executive Officer is a beneficiary of remuneration plans linked to variable components, in accordance with the provisions of the Remuneration Policy and her commercial contract.</p> <p>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.</p> <p>The system 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 fulfilled.</p> <p>This annual variable remuneration represents 40% of the CEO's fixed remuneration (assuming that 100% of the targets are fulfilled).</p> <p>In order to achieve the best results for the Company, variable remuneration will be paid out based on financial and business targets, with a weighting of 70%, and non-financial targets, with a weighting of 30%.</p> <p>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%.</p> <p>In 2023, the targets and level of compliance with the indicators were as follows:</p> <ul style="list-style-type: none">- Premium issued Insurer (with a weight of 70%): The level of achievement of this target in 2023 was 0%.- Compliance with six actions under the 2023–2025 Sustainability Plan (with a weighting of 15%): The level of achievement of this target in 2023 was 140%.- Compliance with the NSS – Net Satisfaction Score (quality indicator, with a weight of 15%): The level of achievement of this target in 2023 was 0%.

In 2023, the overall level of compliance with the targets was 21%. However, since the minimum target for the modulating indicator based on consolidated PBT was not met, the percentage of achievement was multiplied by 0.5.

Therefore, the final level of compliance with the targets set for 2023 was 10.50%, resulting in a total amount payable of 13,104 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 2024: 3,931.20 euros in cash and 4,227 shares
- In the following three years:
 - In cash: 874.04 euros in 2025, 873.38 euros in 2026 and 873.38 euros in 2027
 - In shares: 940 shares in 2025, 939 shares in 2026 and 939 shares in 2027

*A reference value of 0.93 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 2024, 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.

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

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 2023 he received € 13,063.60 for this item.

Explain the long-term variable components of remuneration systems

With regard to the Extraordinary Variable Remuneration Plan for shares of which the executive director is a beneficiary, we refer to the terms detailed in section A.1.6 of this report. Under this Plan, in 2023 Patricia Ayuela received 20,246 shares of Línea Directa Aseguradora, representing a gross amount of 16,966 euros.

Miguel Ángel Merino, former CEO, as beneficiary of the Extraordinary Variable Remuneration Plan, also received a total of 20,246 shares of Línea Directa Aseguradora, which is equivalent to a gross amount of 16,966 euros.

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.

No reduction or recoupment of amounts was made in the year ended, as none of the circumstances set out in the malus and clawback clauses occurred during the period.

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.

According to the Policy, the executive director maintains the rights recognised to her in a collective life insurance policy of the collective unit linked modality, underwritten by Línea Directa, which implements the entity's pension commitments.

It is a defined contribution system. According to the Policy, in 2023 the annual contribution is 30% of the fixed remuneration of the executive director.

This Social Security System aims to improve retirement benefits, in any of its modalities (ordinary or early) provided that it is total 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 CEO 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 case of termination of the CEO, as well as voluntary withdrawal.
- 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 executive director shall not be entitled to withdraw the funds accumulated up to that point 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 2023.

Also in 2023, Miguel Ángel Merino González received 50% of his annual fixed remuneration at the date of termination of his relationship (i.e. 194,301 euros) as compensation for a post-contractual non-compete clause and undertaking not to hire executives, once the period of 18 months had elapsed since the termination of his contract and in view of his effective compliance with all such requirements under the contractual clause described in previous reports.

- B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, 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 2023, 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 is no additional remuneration.

- 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 advances, credits or guarantees have been granted.

- 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 the following 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 2,189 euros in 2023.
2. Health Insurance: The company assumes the premium of a reimbursement medical insurance for the CEO and her family unit. Amount of 7,599 euros in 2023.
3. Rental vehicle (7,743 euros in 2023) plus the expenses derived from its use (1,136 euros in 2023 corresponding to fuel).

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.

- 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 did not occur

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year t
ALFONSO BOTÍN-SANZ DE SAUTUOLA Y NAVEDA	Chairman	From 01/01/2023 to 31/12/2023
PATRICIA AYUELA DE RUEDA	Executive Director	From 01/01/2023 to 31/12/2023
ANA MARÍA PLAZA ARREGUI	Independent director	From 01/01/2023 to 31/12/2023
ELENA OTERO-NOVAS MIRANDA	Independent director	From 01/01/2023 to 31/12/2023
RITA ESTÉVEZ LUAÑA	Independent director	From 01/01/2023 to 31/12/2023
JOHN DE ZULUETA GREENEBAUM	Independent director	From 01/01/2023 to 31/12/2023
FERNANDO MASAVEU HERRERO	Proprietary director	From 01/01/2023 to 31/12/2023

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 covered by 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 2023	Total 2022
ALFONSO BOTÍN	120	27	13	0	0	0	0	0	160	174
PATRICIA AYUELA	90	20	0	312	4	0	0	19	445	400
ANA MARIA PLAZA	60	13	14	0	0	0	0	0	87	96
ELENA OTERO-NOVAS	60	13	7	0	0	0	0	0	80	85
RITA ESTÉVEZ	60	13	6	0	0	0	0	0	79	87
JOHN DE ZULUETA	60	13	12	0	0	0	0	0	85	96
FERNANDO MASAVEU	60	13	0	0	0	0	0	0	73	76
TOTAL	510	112	52	312	4	0	0	19	1,009	1,522

Observations
<p>Clarifications:</p> <ul style="list-style-type: none"> - 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 Patricia Ayuela: the amount shown in the table (€ 4 thousand) corresponds to the amount in cash accrued for the achievement of targets in 2023 (which will be paid in 2024) and not deferred over the following three financial years (2025, 2026 and 2027), in which an amount of € 874 will be paid each year in cash and the same amount in shares. For clarification purposes, in 2024 she will also receive the first deferred payment of the variable remuneration pertaining to financial year 2022, which amounts to € 4,835 in cash and 4,944 shares. - "Other items" for Patricia Ayuela: as per the breakdown provided in section (iv) of this same section.

- **Total remuneration of Patricia Ayuela for 2022:** The amount shown in the table for 2022 includes her remuneration from 17/02/2022 (date of appointment as director) to 31/12/2022. Therefore, in 2023 there was no increase in the cash remuneration of the Chief Executive Officer with respect to the previous year; rather, the 2022 figure is not directly comparable with the total for 2023, in which Patricia Ayuela served as Chief Executive Officer from 01/01/2023 to 31/12/2023.
- As shown in the table, the 1,099 thousand in total remuneration includes the remuneration of the directors in their capacity as such and the remuneration received by the CEO for her executive duties. Under no circumstances has there been any breach of the maximum limit of 1.5 million euros set in the Remuneration Policy for the remuneration of the members of the Board acting in their capacity as such, as the total remuneration amounted to 674 thousand euros in 2023 (732 thousand euros in 2022).
- 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 2023 (reporting period) from the Company as a result of remuneration referred from previous years and compensation for compliance with the non-compete undertaking are disclosed below:
 - Short-term Variable Remuneration of 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 was accrued (which was paid in 2022), the remaining amount being divided equally over the following three years. Therefore, a total of € 13,000 was paid in 2023 (i.e. one third of the deferred amount).
 - Deferred remuneration for termination of the contract: 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 2023.
 - Non-compete clause: Also in 2023, Miguel Ángel Merino received 50% of his annual fixed remuneration at the date of termination of his relationship (i.e. 194,301 euros) as compensation for a post-contractual non-compete clause and undertaking not to hire executives, once the period of 18 months had elapsed since the termination of his contract and in view of his effective compliance with all such requirements under the contractual clause described in previous reports.

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 2023		Financial instruments granted in 2023		Financial instruments vested in the financial year				Instruments matured and not exercised	Financial instruments at the end of 2023	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent / consolidated shares	Price of the consolidated shares	Gross Profit of consolidated shares or financial instruments (thousands of euros)		No. instruments	No. equivalent shares
PATRICIA AYUELA	2021-2023 Extraordinary Variable Remuneration Plan in shares	41,104	41,104			20,246	20,246	0.838	17 (thousands of euros)		20,858	20,858
PATRICIA AYUELA	Annual variable remuneration in shares (2022)	37,064	37,064			22,238	22,238	0.93	21 (thousands of euros)		14,826 (deferred)	14,826 (deferred)
PATRICIA AYUELA	Annual variable remuneration in shares (2023)			7,045	7,045				0		7,045	7,045
PATRICIA AYUELA	23-25 LTI	355,083	355,083						0		355,083	355,083

Observations
<ul style="list-style-type: none"> - Annual variable remuneration in shares (2022): In accordance with the resolution passed by the General Meeting, Ms Ayuela may receive a maximum of 37,064 shares as part of her annual variable remuneration for 2022. A total of 22,238 shares were received by Ms Ayuela in 2023 due to the accrual of the non-deferred portion of her variable remuneration for 2022. A total of 14,826 shares will be delivered to Ms Ayuela in 2024, 2025 and 2026, as the deferred portion (40%) of her annual variable remuneration for 2022. - Annual variable remuneration in shares (2023): A total of 7,045 shares accrued in favour of Ms Ayuela as variable remuneration for 2023. The non-deferred 60% will be paid in 2024 (4,227 shares), while the remaining 40% will be received in 2025, 2026 and 2027. - 23-25 LTI: 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. - All amounts are gross. - Former directors: Miguel Ángel Merino, as a beneficiary under the 2021-2023 Extraordinary Variable Remuneration Plan in Shares, also received a total of 20,246 shares of Línea Directa Aseguradora, which is equivalent to a gross amount of 16,966 euros.

iii) Long-term savings systems

	Remuneration for consolidation of rights to savings systems
PATRICIA AYUELA	0

	Contribution by the company for the year (thousands of euros)				Amount of funds accumulated (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights					
	2023	2022	2023	2022	2023		2022	
					Systems with consolidated economic rights	Systems with non-consolidated economic rights	Systems with consolidated economic rights	Systems with non-consolidated economic rights
MIGUEL ÁNGEL MERINO								
PATRICIA AYUELA	-	-	94	84	-	1,005	-	804

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 concepts (thousands of euros)

Name or company name of director	Item	Remuneration amount (in thousands of euros)
PATRICIA AYUELA	Life insurance	2
	Health insurance	8
	Renting vehicle	8
	Fuel	1
	TOTAL	19

Observations

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

i) Remuneration accrued in cash (in thousands of euros) **NOT APPLICABLE**

Name	Fixed remuneration	Per diems/allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other	Total year t	Total year t-1
Director 1										
Director 2										

Observations

ii) Table of movements of share-based remuneration systems and gross profit of consolidated shares or financial instruments **NOT APPLICABLE**

Name	Name of the Plan	Financial instruments at the beginning of financial year t		Financial instruments granted in year t		Financial instruments vested in the financial year				Instrument matured and not exercised	Financial instruments at the end of financial year t	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent / consolidated shares	Price of the consolidated shares	Gross Profit of consolidated shares or financial instruments (thousands of euros)	No. instruments	No. instruments	No. equivalent shares
Director 1	Plan 1											
	Plan 2											

Observations

iii) Long-term savings systems **NOT APPLICABLE**

	Remuneration for consolidation of rights to savings systems
Director 1	

Name	Contribution by the company for the year (thousands of euros)				Amount of funds accumulated (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	t-1	Systems with consolidated economic rights	Systems with non-consolidated economic rights	Systems with consolidated economic rights	Systems with non-consolidated economic rights

Director 1							
------------	--	--	--	--	--	--	--

Observations

iv) Details of other concepts **NOT APPLICABLE**

Name	Item	Remuneration amount
Director 1		

Observations

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

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.

Remuneration accrued in the Company	Remuneration accrued in group companies	
-------------------------------------	---	--

Name	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other concepts	Total 2023 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other concepts	Total year t group	Total for 2023, company + group
ALFONSO BOTÍN	160	0	0	0	160						160
PATRICIA AYUELA	445	38	0	0	483						483
ANA MARIA PLAZA	87	0	0	0	87						87
ELENA OTERO-NOVAS	80	0	0	0	80						80
RITA ESTÉVEZ	79	0	0	0	79						79
JOHN DE ZULUETA	85	0	0	0	85						85
FERNANDO MASAVEU	73	0	0	0	73						73
TOTAL	1,009	38	0	0	1,047						1,047

Observations

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 variation
--	---

	2023	% change 23/22	2022	% change 22/21	2021	% variation t-2/t-3	Year t-3	% variation t-3/t-4	Year t-4
Executive directors									
PATRICIA AYUELA	483	12.85%	428	-	-				
External Directors									
ALFONSO BOTÍN	160	-8.04%	174	-10.31%	194				
ANA MARIA PLAZA	87	-9.37%	96	17.07%	82				
ELENA OTERO-NOVAS	80	-5.88%	85	34.92%	63				
RITA ESTÉVEZ	79	-9.19%	87	45%	60				
JOHN DE ZULUETA	85	-11.45%	96	10.34%	87				
FERNANDO MASAVEU	73	-3.94%	76	38.18%	55				
Consolidated results of the company	-4,390	-105.57%	78,758	-45.75%	145,180				
Average employee remuneration	47	2.17%	46	6.98%	43				

Observations

The information relating to 2021 includes the amounts accrued over the eight months following the Company's IPO on 29 April 2021, until 31 December 2021. The information for 2022 includes the amounts accrued over the full 12 months of that financial year, except in relation to the Executive Director, Patricia Ayuela, for whom the information spans the period running from her appointment on 17/02/2022. Therefore, the apparent increase in her remuneration between 2022 and 2023 is not real, because 10 months of 2022 are being compared with 12 months of 2023. Meanwhile, the information for 2023 does include, for all members of the Board, the remuneration accrued over the full 12 months of the year. In other words, in 2023 there was no increase in the CEO's total remuneration compared to the previous year.

Likewise, there has been no increase in the remuneration of the members of the Board acting in their capacity as such since the Company's IPO, as described in this Report.

The figure shown as "Consolidated earnings of the company" for financial year 2022, in accordance with the retrospective application of IFRS 17 explained in the annual accounts, is 63,126 thousand, meaning that the change between 2022 and 2023 is -106.95%.

The calculation of the "Average employee remuneration" figure in the table includes the listed company's employees in the denominator. If the employees of its subsidiaries are also included, the amount would be 37,000 for 2021, 40,000 for 2022 and 41,000 for 2023.

D OTHER INFORMATION OF INTEREST

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.

This annual remuneration report was approved by the company's board of directors at its meeting on 29 February 2024.

Indicate whether any directors voted against or abstained in connection with the approval of this Report.

Yes

No

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

