



REPORT OF THE APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE ON ITS OPERATION IN THE 2024 FINANCIAL YEAR

Through this report, the Línea Directa Appointments, Remuneration and Corporate Governance Committee is providing a summary of the composition, operation and main actions of the Committee during 2024, pursuant to the following

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1. Regulation

The internal regulations of the Appointments, Remuneration and Corporate Governance Committee of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros (hereinafter, "**Línea Directa Aseguradora**" or the "**Company**") are included in the Articles of Association (Article 30) and in the Regulations of the Board of Directors (Article 34), in addition to the provisions of the Law.

The Articles of Association and the Regulations of the Board of Directors are registered in the Mercantile Registry of Madrid and are publicly accessible on the CNMV website and through the Company's website www.lineadirectaaseguradora.com

2. Composition

Article 34 of the Regulation of the Company's Board of Directors establishes that the Appointments, Remuneration and Corporate Governance Committee will consist of a minimum of three and a maximum of five non-executive directors appointed by the Board of Directors, who have the necessary knowledge, skills and experience to carry out their function. The same article establishes that the majority of the members of the Committee must be independent directors.

As regards its chair, pursuant to the Regulations, the Board of Directors will appoint the Chair of the Committee from among the independent directors who make the Committee.

At 31 December 2024, the composition of the Company's Appointments, Remuneration and Corporate Governance Committee was as follows:

Member	Position	Legal Category
John de Zulueta Greenebaum	President	Independent External
Alfonso Botín-Sanz de Sautuola y Naveda	Member	Proprietary External
Rita Estévez Luaña	Member	Independent External

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

In accordance with the Board's Regulations, all members of the Appointments, Remuneration and Corporate Governance Committee are external (non-executive), most of whom are independent.

The professional profiles of the members of the Committee are available at the following link <https://www.lineadirectaaseguradora.com/gobierno-corporativo/consejo-administracion/perfil-profesional>, as well as in the Annual Corporate Governance Report.

Their appointments as members of the Company's Appointments, Remuneration and Corporate Governance Committee, as well as the position of Chairman, entered into force on 15 April 2021, following the Company's IPO and the registration of the prospectus by the CNMV.

3. Jurisdiction

Article 34.3 of the Regulations of the Board of Directors attributes the following functions to the Appointments, Remuneration and Corporate Governance Committee:

- i. Propose the appointment, confirmation, re-election and removal of independent directors and report on the remaining directors.
- ii. Submit proposals to the Board of Directors on the appointment of independent directors by co-optation or the resolution of the General Shareholders' Meeting, as well as proposals for the re-election or separation of these directors by the General Shareholders' Meeting.
- iii. Report on proposals for the appointment of the Company's other directors by co-optation or the resolution of the General Shareholders' Meeting, as well as those for the re-election or separation of these directors by the General Shareholders' Meeting.
- iv. Ensuring that when vacancies occur, selection procedures are free from implicit biases that may act as an obstacle to the selection of candidates belonging to the less represented gender on the Board of Directors, ensuring that women are included among the potential candidates to be members of that body.
- v. Propose the appointment, re-election and removal of the Chairmen and members of the Board Committees.
- vi. Assess the balance of skills, capacity, knowledge, diversity and experience needed on the Board of Directors. To this effect, it will define the duties and abilities required by candidates to fill each vacancy and assess the time and dedication needed for them to carry out their roles effectively, verifying that non-executive directors have sufficient time available for the proper performance of their duties.
- vii. To evaluate periodically and at least once a year, the suitability of the various members of the Board of Directors and of the Board of Directors as a whole and to report to the Board of Directors accordingly.
- viii. Establishing a target for representation of the under-represented gender on the Board of Directors and draw up guidelines on how to reach that target.
- ix. To analyse on an annual basis the existence and updating of succession plans for the Chairman, the Vice-Chairman, where applicable and the Chief Executive Officer and, where appropriate, to submit the result of this analysis to the Board of Directors so that said succession takes place in an orderly and planned manner.
- x. In accordance with the provisions of the General Shareholders' Meeting Regulations, report, where appropriate and through its Chairman, to the General Shareholders' Meeting, on the Committees' activities during the financial year, as well as on questions which shareholders may have raised, prior to it being held, on matters that fall within the Committee's remit.
- xi. Report to the Board of Directors on the fitness and standing of those executives who report directly to the Chief Executive Officer or to the Board, and of the key function holders, prior to their appointment by the Board.
- xii. Reporting on the appointment and removal of directors or directors of subsidiaries or investees acting on behalf of or proposed by the Company.
- xiii. To propose to the Board of Directors, depending on the specific conditions of the new directors, a mentoring programme that provides sufficient knowledge of the Company, its operation and its corporate governance rules, as well as the possible establishment of knowledge updating programmes aimed at the directors in office when circumstances so advise.

- xiv. To inform the Board of Directors about the candidates for the appointment of the Trustees of the LINEA DIRECTA FOUNDATION whose appointment corresponds to the Company.
- xv. Propose to the Board, for its approval, the directors' remuneration policy and their individual remuneration, as well as the corresponding annual report on directors' remuneration, which the Board shall put to the vote of the General Shareholders' Meeting, on an advisory basis.
- xvi. Proposing to the Board the individual remuneration of the executive directors and, as the case may be, the external directors, for the performance of duties other than those in their capacity as a director, and other terms and conditions of their contracts.
- xvii. Propose the remuneration policy of senior management, including general managers or those who perform their senior management duties with direct report to the Board, Executive Committees or CEOs, as well as individual remuneration and other basic terms and conditions of their contracts.
- xviii. The remuneration of members who, not belonging to senior management, carry out professional activities that may have a significant impact on the assumption of risks by the Company.
- xix. To supervise the degree of application of the remuneration policy in general during the year and to ensure its observance.
- xx. Report on the approval and substantial amendment of the Company's general system of executive remuneration and the basic conditions of their contracts. It is also part of its functions to oversee the remuneration system of the executives in charge of the internal audit function, and the risk management and internal control, regulatory compliance verification and actuarial functions.
- xxi. Review the remuneration programmes on a regular basis, evaluating their adaptiveness and performance and ensuring that directors' remuneration conforms to standards of moderation and corresponds to the Company's earnings.
- xxii. To ensure the transparency of remuneration and the inclusion in the annual report and in any annual reports containing information on the remuneration of directors and senior executives, for this purpose, to submit to the Board any information that may be appropriate.
- xxiii. To report on the incentive plans for managers or employees linked to the evolution of the Company's share price or other variable indices, as well as on the remuneration systems of the entity's management team based on group insurance systems or deferred remuneration systems, where applicable.
- xxiv. Ensure that potential conflicts of interest do not jeopardise the independence of any external advice provided to the Committee.
- xxv. To report on the company's main projects and regulations in the field of corporate governance, prior to their approval by the Board of Directors.
- xxvi. Propose to the Board of Directors the approval of the Company's annual corporate governance report in the sections of its competence.
- xxvii. Oversee the Company's corporate governance with the aim of supervising compliance with the rules adopted by the Company and to guarantee the balance of power, the proper functioning of the Company's governing and management bodies, the independence of directors and the adaptation of the system to new rules and recommendations and to national and international

- best practices, ensuring that the corporate culture is aligned with the Company's mission and values.
- xxviii. Supervise and ensure that the conditions that ensure the effective independence of independent directors are maintained in substantive aspects such as the attitude, capacity for discussion and effective participation of independent directors.
 - xxix. To ensure that the climate of the Board of Directors and the relations between directors are conducive to debate and the free intervention of all members of the Board and that matters are debated and resolved at Board meetings, giving them the weight and depth they require.
 - xxx. Ensure that the annual meetings schedule of the Board of Directors and its Committees includes the most important issues for the Company.
 - xxxi. To propose to the Board of Directors any practices that it considers to contribute to the development of the Company's Corporate Governance and to advise the Chairman of the Board of Directors on this matter.
 - xxxii. Gather information on the process undertaken by the Audit and Compliance Committee of identifying, assessing and overseeing sustainability risks, with the option of holding joint meetings between both committees, if so requested by the Chairman or by a majority of the members of the Appointments, Remuneration and Corporate Governance Committee. Joint meetings shall be chaired by the oldest from among the Chairs.
 - xxxiii. Determine the guidelines, criteria and reference standards that govern the preparation of the annual sustainability report, informing the Board accordingly.
 - xxxiv. Review, validate and report to the Board of Directors on the annual sustainability report prior to its drafting, considering the information received from the Audit and Compliance Committee on the preparation process and the integrity of the information.
 - xxxv. Review and validate the sections of any corporate report, whether mandatory or voluntary, that has an impact on the field of sustainability.
 - xxxvi. Monitor the Company's sustainability strategy, practices and objectives, assessing its degree of compliance and reviewing its sustainability policies and ensuring they are aimed at value creation.
 - xxxvii. Oversee the Company's environmental and social practices to ensure that they are suitably aligned with the policies and strategy approved by the Board.
 - xxxviii. Report to the Board of Directors on memberships of national or international associations and involvement in initiatives that involve the assumption of commitments or good practices by the Company.
 - xxxix. To review any matter within its competence that is submitted to it by the Board of Directors, the Chairman or the Chief Executive Officer.
 - xl. Any other functions attributed to it by these Regulations or by the Board of Directors.

4. Operation: Meetings and main actions in 2024

In accordance with the provisions of Article 34.6 of the Regulations of the Board, the Appointments, Remuneration and Corporate Governance Committee shall meet whenever the Board of Directors or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper performance of its functions. In any case, it will meet once a year to prepare the

information on the remuneration of the directors that the Board of Directors must approve and include in its annual public documentation.

In the 2024 financial year, the Appointments, Remuneration and Corporate Governance **Committee has met on 6 occasions**, with an **attendance ratio of 100%**.

The individualised attendance data are as follows:

Director	Meeting Attendance
Don John de Zulueta Greenebaum	6/6
Alfonso Botín-Sanz de Sautuola y Naveda	6/6
Rita Estévez Luaña	6/6

The most significant actions carried out by the Appointments, Remuneration and Corporate Governance Committee during the year ended 2024 were the following:

(i) Remuneration of directors

In particular, the CNRGC, at its January and February 2024 meeting, reported favourably and proposed the submission of the following matters to the Board of Directors:

- a. The specific determination of the components of the fixed remuneration accrued in 2023 by directors in their capacity as such, in accordance with the amounts provided for in the Directors' Remuneration Policy, which were detailed in the Annual Remuneration Report.
- b. The update for 2024 of the amounts of remuneration for executive functions, in accordance with the provisions of the Remuneration Policy and as explained in the Annual Remuneration Report.
- c. The assessment of the level of compliance with the parameters on which the accrual of the annual variable remuneration of the executive director was based and the specific determination of said remuneration for 2023, as stated in the Annual Remuneration Report.
- d. The determination of the financial and non-financial parameters to which the variable remuneration of the executive director accrued in 2024 would be linked.

The Board of Directors unanimously reviewed and approved the reports and proposals of the CNRGC at its meetings held in January and February 2024.

(ii) Appointment of directors

In 2024, the CNRGC has embarked upon the selection process for independent director candidates, pursuant to the provisions of the Company's Director Selection Policy, which resulted in the corresponding proposals to be submitted for approval by the General Shareholders' Meeting.

(iii) Appointment of members of the Management Committee

The Committee has reviewed the conditions for recruiting new members of the Management Committee or new hires who are direct reports of the CEO, and has issued the corresponding reports of aptitude and good repute.

(iv) Remuneration of the Management Committee and the identified staff

The Appointments, Remuneration and Corporate Governance Committee has monitored the remuneration structure applicable to these groups, assessing compliance with the objectives set for the variable remuneration accrued.

(v) In relation to the workforce

The Committee has been informed about very relevant aspects related to the Company's staff, such as the monitoring of the general remuneration structure or approval of a plan for employees to purchase shares in the Company in the form of flexible remuneration.

(vi) Corporate Governance

During 2024, the CNRGC has reviewed particularly relevant corporate policies, such as the Sustainable Investment Policy, the General Remuneration Policy, in particular as regards the remuneration of the Identified Staff, the Social Impact and Financial Inclusion Policy, the Talent Policy and the Sustainability Policy.

Also in 2024, the Committee proposed an amendment to the Regulations of the Board of Directors to include the recommendations of the new Technical Guide 1/2024 on audit committees published by the CNMV in June 2024, which was approved by the Board and entered in the Companies Register.

The Committee also continued with the Training Programme for directors during the year, in line with the recommendations in the CNMV's Code of Good Governance. In particular, it coordinated the organisation of sessions on digital operational resilience, cybersecurity, artificial intelligence, sustainability and regulatory updates, imparted by external advisors and experts.

The Committee also reviewed and updated the skills matrix for directors in 2024.

At the start of 2025, the Committee reported favourably on the 2024 annual corporate governance and the 2024 directors' remuneration reports to be made available to shareholders at the next General Shareholders' Meeting.

(vii) Sustainability

In 2024, the Committee monitored compliance with the objectives set out in the 2023–2025 Sustainability Plan, as well as the progress made by the Sustainability Committee in implementing the actions included in the Plan.

The Committee also monitored the preparation of the 2024 Statement of Non-Financial Information and Sustainability Information, following the criteria set out by the CNMV and the ICAC in their jointly published Note, in light of the situation in which we find ourselves on the reporting date, with the CSRD not having entered into force and Law 11/2018 on non-financial information remaining applicable.

As part of this framework, the CNRGC has reviewed the results of the 2023 carbon footprint verification and the Company's dual materiality matrix.

Also in 2024, the Committee members took note of the progress made towards the process of being listed on the Dow Jones Sustainability Index, incorporating best practices with the aim of forming part of this index in the near future.

It has also worked on the preparation of the Task Force on Climate-related Financial Disclosure (TCFD) report in collaboration with the Audit and Compliance Committee, which was published on the corporate website in early 2024 and has approved adherence to initiatives such as the Principles for Responsible Investment.

(viii) Assessment of the Board and the Committee

In 2024, the Commission has coordinated the evaluation of the functioning of the Board and its Committees, as well as the performance of the CEO and the Chair of the Board. The procedure and results are detailed in point 5 of this Report.

(ix) Proxy advisors

The Committee has followed up on the meetings held by the Company with proxy advisors, in order to explain the Company's corporate governance system and to know their recommendations and expectations in this regard.

(x) Reporting to the Board

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

5. Conclusions of the annual evaluation

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

Specifically, the following matters have been analysed:

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

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

Regarding the overall assessment of the Committee's performance, it has been excellent, with a score of 5 out of 5, and the performance of the Chairman of the Committee has also been rated as excellent, with a score of 5 out of 5.

6. Preparation and publication of this report

The Appointments, Remuneration and Corporate Governance Committee drafts this report at its meeting of 25 February 2025 and submits it for the approval of the Board of



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Directors, which agrees to publish it on the corporate website in advance of the Ordinary General Meeting, pursuant to Recommendation 6 of the Code of Good Governance.