



ISSUER IDENTIFICATION

Year end date:

[31/12/2023]

Tax ID:

[A81862724]

Company name:

[**ALANTRA PARTNERS, S.A.**]

Registered address:

[C/JOSÉ ORTEGA Y GASSET, 29 MADRID]

A. COMPANY REMUNERATION POLICY FOR CURRENT YEAR

A.1.1. Explain the current director remuneration policy 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.

The specific determinations for the year in progress should be described, both as regards the remuneration of directors for their directorships and for their performance of executive functions pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

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 contemplated in the current remuneration policy of the directors to apply temporary exceptions to the policy, conditions in which these exceptions can be used and components that may be subject to exception depending on the policy.

a. Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.
* Remuneration Policy for directors acting in their capacity as such:

Shareholders at the General Meeting of 28 October 2020 approved the latest amendments to the Directors' Remuneration Policy as proposed by the Board of Directors (following a prior report from the CNR). Said Policy is in force and will be applied from now on to Directors' remuneration for the financial years 2021 to 2023, and was modified at the Annual General Meeting on 27 April 2022 and 27 April 2023 to adapt it to certain changes in legislation that may have entered into force in 2022 and 2023 and to update the Executive Chairman's remuneration.

Pursuant to Article 20 of the Company's Bylaws, the system for remunerating Directors for the performance of their duties as such comprises an annual fixed amount payable quarterly and per diems for attendance at each meeting of the Board of Directors or its Committees. The Board of Directors has approved the following:

(i) The Chairman and Vice Chairman are each paid 54,000 euros per annum, the Coordinating Director is paid 45,000 euros and the other members are paid 36,000 euros per annum.

(ii) Per diems of 1,500 euros per Board meeting attended and 750 euros per Committee meeting attended (1,500 euros to the Committee Chairs). Directors are not remunerated if they do not attend. Attendance by telephone connection is considered acceptable. No remuneration is paid for decisions adopted by the Board in writing with no meeting taking place.

The maximum total combined amount is 800,000 euros. If at the end of the financial year upper limit has not been reached, the Board of Directors, if the CNR so proposes, and depending on the Company's results in the year, may agree an additional payout for a maximum amount up to said upper limit of 800,000 euros, taking into account the contribution made by the Directors and the performance of their duties.

* The remuneration of the Executive Chairman:

The remuneration of the Executive Chairman, who is also the Chief Executive Officer and the only executive director, is 300,000 euros per annum (amount approved by the Company's General Meeting on 27 April 2023) plus an annual variable remuneration comprising the following two components:

a) A quantitative component equivalent to 3.2% of the Company's pre-tax profit, excluding the result of operations or accounting adjustments not realised in cash or cash equivalents, which the Company's Audit Committee is required to verify;

b) A qualitative component calculated according to criteria, indicators and/or parameters determined annually by the CNR. These include mainly: (i) the development of the skills of the team of professionals that works for the Company's group, (ii) the sustainability of revenue streams, (iii) encouraging sound and effective risk management, capable of fostering responsible behaviour at the entity and promoting awareness of the risks attaching to its activities and prudence in the assumption of those risks;

(iv) compliance with the sustainability initiatives established by the Company's responsible body, (v) the design and execution of corporate transactions that contribute to generating value for the Company, and (vi) maximising shareholder value. The amount established in the paragraph above may be adjusted upward or downward by up to 60% to reflect the extent to which these targets are met (this percentage was approved by the Company's General Meeting on 27 April 2023).

* Bodies involved in approving the Remuneration Policy

In relation to the bodies involved in approving the Remuneration Policy, the Company's CNR proposes a Remuneration Policy to the Board of Directors which it subsequently submits to the General Meeting for approval.

b. Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy. Directors take into account the remuneration policies of other comparable businesses when determining the Company's Remuneration Policy.

c. Information on whether any external advisors took part in this process and, if so, their identity
No external advisors assisted the Directors in the drawing up of the Remuneration Policy.

d. Procedures contemplated in the current remuneration policy of the directors to apply temporary exceptions to the policy, conditions in which these exceptions can be used and components that may be subject to exception depending on the policy.

The Board of Directors has not considered introducing a policy to apply temporary exceptions to the Remuneration Policy.

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 guarantee a suitable 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 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, state 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 the handover of accrued and vested financial instruments, or if any clause has been agreed that reduces the deferred remuneration unvested or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate.

* Remuneration mix and criteria taken into account when determining it:

The Executive Chairman, the only member of the Board of Directors with an executive role, is the only director who receives a fixed remuneration for his duties as a member of the Board and also for performing his executive duties, comprising a fixed and a variable component in accordance with the terms of his contract and the Directors' Remuneration Policy, previously described.

As previously described, the Executive Chairman's remuneration model consists of (i) a fixed remuneration of 300,000 euros per annum (amount approved by the Company's General Meeting on 27 April 2023), (ii) and a variable component equivalent to 3.2% of the Company's pre-tax profit, excluding the result of operations or accounting adjustments not realised in cash or cash equivalents, which the Company's Audit Committee is required to verify.

As previously described, the accrual of the variable remuneration is calculated according to criteria, indicators and/or parameters determined annually by the CNR to achieve the following objectives:

- (i) the development of the skills of the team of professionals that works for the Company's group,
- (ii) the sustainability of revenue streams,
- (iii) encouraging sound and effective risk management, capable of fostering responsible behaviour at the entity and promoting awareness of the risks attaching to its activities and prudence in the assumption of those risks;
- (iv) compliance with the sustainability initiatives established by the Company's responsible body,
- (v) the design and execution of corporate transactions that contribute to generating value for the Company, and
- (vi) maximising shareholder value.

The amount resulting from the 3.2% formula may be adjusted upward or downward by up to 60% to reflect the extent to which these targets are met (this percentage was approved by the Company's General Meeting on 27 April 2023).

However, the Executive Chairman voluntarily waived any variable remuneration accruing to him for 2023 and, therefore, no amount of variable remuneration was paid to him in this connection. This resulted, on an extraordinary basis, in the qualitative component elements that were to be approved by the Appointments and Remuneration Committee and used to calculate the variable remuneration being rendered ineffective since no variable remuneration would be generated in 2023. The waiver of the variable remuneration for 2023 and the consequences arising from that were analysed by the Appointments and Remuneration Committee and the Board.

Since the Executive Chairman did not earn any variable remuneration in 2023, the provisions contained in the Remuneration Policy applicable to 2023 in relation to variable remuneration and, in particular, those relating to the determination of the qualitative component were not applied in that year.

As a result, it is not appropriate to report on the remuneration mix in 2023.

** Measures adopted to reduce risks:

The Company's internal control and risk management systems and procedures include specific supervisory mechanisms and counterweights to prevent decision-making powers being too concentrated in areas where the Company could be assuming high levels of risk, and to avoid or, where applicable, appropriately manage, any conflicts of interest that may arise. The Executive Chairman's remuneration scheme is designed to encourage the long-term profitability and sustainability of the Company with sufficient safeguards and controls to prevent excessive risk-taking or rewarding poor results. As disclosed above, the Executive Chairman's contract includes a claw-back clause that has been applied as detailed in said contract.

*** Accrual period for variable remuneration and deferral or recovery period:

The variable remuneration of the Executive Chairman accrues within twelve (12) months. The annual variable remuneration is paid for completed financial years, so the amount accrued in one financial year is paid in the next.

The Company has not established a deferral period for the payment of the accrued and vested amounts of the Chairman's variable remuneration. However, the Remuneration Policy establishes that, by resolution of the Board, payment of the Executive Chairman's variable remuneration (i) may be deferred for a period of between three and five years, and (ii) part of it may be paid in shares of Alantra or similar non-monetary instruments. Such measures may be adopted by the Company if they may be required under applicable legislation.

The Company has not established any malus clause with respect to the Chairman's variable remuneration, but it has established a claw-back clause for the recovery of remuneration accrued and paid in the event that the Company restates its annual financial statements and, as a result of said restatement, the figures used to calculate the remuneration are smaller than those originally used.

A.1.3. Amount and nature of fixed components that are due to be accrued during the year by directors for their status as such.

The Board of Directors' Remuneration Policy established that:

- a) The Chairman and Vice Chairman are each paid 54,000 euros per annum, the Coordinating Director is paid 45,000 euros and the other members are paid 36,000 euros per; and
- b) Per diems paid for attending Board meetings amount to 1,500 euros per Board meeting attended and 750 euros per Committee meeting attended (1,500 euros to the Committee Chairs).

The maximum total combined amount that the Company can pay to Directors in fixed remuneration and per diems is 800,000 euros. If at the end of the financial year the 800,000 upper limit has not been reached, the Board of Directors, if the CNR so proposes, and depending on the Company's results year, may agree an additional payout for a maximum amount of the difference between the amount paid to the Directors and said upper limit of 800,000 euros, taking into account the contribution made by the Directors and the performance of their duties.

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.

The remuneration of the Executive Chairman, who is the only executive director, is 300,000 euros per annum in accordance with the Directors' Remuneration Policy (amount approved by the Company's General Meeting on 27 April 2023).

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 for the benefit of the director.

The Executive Chairman receives a payment in kind comprising 50% of the payments for the health insurance policy covering his immediate family, amounting to 2,398.08 euros in the financial year. The Executive Chairman is the only director who receives a payment in kind (of this or any other nature).

A.1.6. Amount and nature of variable components, differentiating between those established in the short and long term.

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.

The only variable components in the remuneration paid to the Board of Directors correspond to those paid to the Executive Chairman for the performance of his management duties. The annual variable remuneration is determined in line with the following two components:

- a) A quantitative component equivalent to 3.2% of the Company's pre-tax profit, excluding the result of operations or accounting adjustments not realised in cash or cash equivalents, which the Company's Audit Committee is required to verify;
- b) A qualitative component calculated according to criteria, indicators and/or parameters determined annually by the CNR. These include mainly: (i) the development of the skills of the team of professionals that works for the Company's group, (ii) the sustainability of revenue streams, (iii) encouraging sound and effective risk management and (iv) maximising shareholder value. The amount established in the paragraph above may be adjusted upward or downward by up to 90% to reflect the extent to which these targets are met (this percentage was approved by the Company's General Meeting on 27 April 2023).

However, the Executive Chairman voluntarily waived any variable remuneration accruing to him for 2023 and, therefore, no amount of variable remuneration was paid to him in this connection. This resulted, on an extraordinary basis, in the qualitative component elements that were to be approved by the Appointments and Remuneration Committee and used to calculate the variable remuneration being rendered ineffective since no variable remuneration would be generated in 2023. The waiver of the variable remuneration for 2023 and the consequences arising from that were analysed by the Appointments and Remuneration Committee and the Board.

Since the Executive Chairman did not earn any variable remuneration in 2023, the provisions contained in the Remuneration Policy applicable to 2023 in relation to variable remuneration and, in particular, those relating to the determination of the qualitative component were not applied in that year.

A.1.7. Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the case of defined benefit systems, the conditions under which economic rights vest for directors and their compatibility with any other type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

State if the accrual or vesting of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

There are no long-term savings systems.

A.1.8. Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

No compensation has been agreed or paid in the event of the termination of duties as a director.

A.1.9. State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among other questions, information should be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, indemnification and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the covenants or agreement on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The only executive director of the Company is the Executive Chairman who is also the Chief Executive Officer. His contract, approved by the Board of Directors, establishes the terms and conditions of the remuneration contained in the Remuneration Policy:

- Fixed remuneration of 300,000 euros per annum (amount approved by the Company's General Meeting on 27 April 2023)

- Annual variable remuneration comprising the following two components

a) and a variable component equivalent to 3.2% of the Company's pre-tax profit, excluding the result of operations or accounting adjustments not realised in cash or cash equivalents, which the Company's Audit Committee is required to verify.

A qualitative component calculated according to criteria, indicators and/or parameters determined annually by the CNR. These include mainly: (i) the development of the skills of the team of professionals that works for the Company's group, (ii) the sustainability of revenue streams, (iii) encouraging sound and effective risk management, capable of fostering responsible behaviour at the entity and promoting awareness of the risks attaching to its activities and prudence in the assumption of those risks, (iv) compliance with the sustainability initiatives established by the Company's competent body, (v) the design and execution of corporate transactions that contribute to generating value for the Company, and (vi) maximising shareholder value. The amount established in the paragraph above may be adjusted upward or downward by up to 60% to reflect the extent to which these targets are met (this percentage was approved by the Company's General Meeting on 27 April 2023).

- The contract is permanent and includes an exclusivity agreement. No compensation is payable if the contract is terminated by the Company, but both parties are required to give six months' notice if either the Company or Executive Chairman wish to terminate the contract without just cause.

- The contract includes a claw-back clause covering the variable remuneration accrued and paid to the Executive Chairman.

- The contract does not contain any post-contractual non-competition agreement.

- The contract includes a clause enabling the Company, by resolution of the Board of Directors, payment of the Executive Chairman's variable remuneration (i) may be deferred for a period of between three and five years, and (ii) part of it may be paid in shares of Alantra or similar non-monetary instruments permitted under the applicable regulatory framework in force from time to time, provided that the circumstances obliging the Company to apply such measures in accordance with the framework exist at the Alantra Group, in which case they must be applied in the minimum terms permitted by such legislation.

A.1.10. The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the directorship.

No additional remuneration accrued to the Company's directors as consideration for services rendered other than those inherent in the position.

A.1.11. Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

No remuneration is paid in the form of advances, loans or guarantees.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

No supplementary remuneration is payable other than that disclosed in the sections above.

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

- a) A new policy or a modification of the policy already approved by the general meeting.
- b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- c) Proposals that the board of directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed be applied to the current year.

To comply with Article 529 novodecies of the Spanish Limited Liability Companies Law, which establishes that the directors' remuneration policy must remain in force in the three years following the year in which it was approved by the General Meeting, and after that period has elapsed from the approval of the policy in force until 2023, the General Meeting, at the proposal of the Board, on the terms of the favourable report from the Appointments and Remuneration Committee, approved the Company's new Directors' Remuneration Policy for the years 2024 to 2026, inclusive (the "Policy"). In accordance with that report, the Executive Chairman's remuneration envisaged in the Policy is also applicable with respect to the Executive Chairman's remuneration relating to 2023.

The Policy includes certain new features relating to the Company's remuneration model for the Executive Chairman with respect to the former policy, which are detailed below:

a) It was resolved to return to the fixed and variable remuneration model for the Executive Chairman in accordance with the Company's Directors' Remuneration Policy in force in the years 2016 and 2017 so that (i) the Executive Chairman's fixed remuneration would once again be set at 300,000 euros per year and (ii) the variable remuneration would not be limited to an amount equal to 200% of the fixed remuneration.

b) It was resolved to establish mechanisms to enable the Company to defer and pay in Alantra shares or similar non-monetary instruments part of the Executive Chairman's variable remuneration should the circumstances specified in the legislation that may apply to the Company arise and in the minimum terms laid down in that regulatory framework.

As explained in detail in the supporting report of the Appointments and Remuneration Committee dated 22 March 2023 (which is available to the public on the Alantra website, together with the documentation of the General Meeting for 2023), such amendments were made to the Policy as a result of the entry into force of the new Securities Market and Investment Services Law 6/2023, of 17 March, which transposes Directive (EU) 2019/2034, of 27 November 2019, on the prudential supervision of investment firms ("IFD")

A.3. Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

<https://www.alantra.com/es/shareholders-investors/general-shareholders-meeting/>

- A.4.** Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

The annual report on directors' remuneration was submitted to the General Meeting held on 27 April 2023 for a consultative vote. Following a favourable vote of 99.89% of the validly issued votes, the Board agreed to approve said report and publish it on the Company's website.

B. GENERAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR OF REFERENCE

- B.1.1.** Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, if applicable, the identity and the role of the external advisors whose services have been used in the process of implementing the remuneration policy in the year ended.

As detailed in section A.1., the Board of Directors is responsible for approving, on the proposal of the CNR, the remuneration paid to individual directors (for the performance of their duties as such and for any executive duties), within the limits and parameters established in the Remuneration Policy amended by the Annual General Meeting held on 27 April 2023.

The only remuneration paid for membership of the Board is a fixed amount plus per diems, paid entirely in cash in the amounts set out in the current Remuneration Policy. The application of these amounts gives rise to the individual amounts detailed in section C below, based on each Director's membership of the various Committees that report to the Board and the number of meetings attended. In addition to the fixed amounts determined in accordance with the Remuneration Policy, certain directors received additional fixed remuneration (within the maximum remuneration limit established in the Policy) in the form of a special 2023 bonus in recognition of their contribution to the strong results obtained by the Company in 2023.

With respect to the Executive Chairman, the only director with executive functions, the Board, following a proposal by the Appointments and Remuneration Committee approved his fixed remuneration (provided for in this contract with the Company) and acknowledged the express waiver by the Executive Chairman to receive his variable remuneration, as explained in previous sections.

No external advisor was involved in the calculation of the directors' remuneration for 2023.

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

No deviation from the procedure established for the application of the remuneration policy has taken place during the financial year.

- B.1.3.** Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exemptions to the remuneration policy were applied in 2023.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including mention of the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

The design of the directors' remuneration system (for the performance of their duties as such and for any executive duties) has been determined as established in the Company Bylaws, the Regulations of the Board of Directors and the Directors' Remuneration Policy, approved by the Company's General Meeting.

The directors' remuneration system (for the performance of their duties as such) comprises a fixed remuneration that is linked exclusively to their membership of the Board and its various Committees, and has, therefore, been designed to uncouple it from the achievement of short-term targets and variables. In any case, as disclosed above, the total remuneration paid to directors for the performance of their duties as such is limited to an amount previously set by the General Meeting.

The Executive Chairman's current remuneration scheme for the performance of his management duties gives greater weight to the variable component than to the fixed component of the remuneration, as established in this report. As disclosed in section A.1.2, the Executive Chairman's contract includes a claw-back clause that allows amounts paid as part of his variable remuneration to be claimed and refunded. The internal control and risk management systems and procedures include specific supervisory mechanisms and counterweights to prevent the Company assuming high levels of risk, and to avoid or, where applicable, appropriately manage, any conflicts of interest that may arise. As the parent company of a consolidated group of investment services companies, the Company is subject to the prudential supervision of the Spanish securities market authority, the Comisión Nacional del Mercado de Valores (CNMV) and, for this purpose, the applicable legislation is Royal Decree 4/2015, of 23 October, approving the Spanish Securities Market Act. In accordance with the regulations established in said Act with regard to remuneration, the Company and the Alantra Group as a whole must have a remuneration policy that takes into account the appropriate management of risk and potential conflicts of interest. The Board of Directors approved, therefore, an Alantra Group Remuneration Policy, as proposed by the CNR that encourages sound and effective risk management, in proportion to the nature, scale and complexity of the Group's activities. The Alantra Group Remuneration Policy applies to employees whose professional activities have a significant impact on the risk profile of the parent and the subsidiary (the "Identified Employees"). This policy, which can be consulted via the Alantra Group's website (www.alantra.com), together with the remuneration policy for the Company's directors approved by the General Meeting, includes criteria and mechanisms to enable the application of a suitable balance between the fixed and variable components of the remuneration paid to the Identified Employees, including (i) criteria for basing payment on effectively realised consolidated results, (ii) limits on the variable remuneration, and (iii) mechanisms for ensuring the interests of directors, executives and employees of the Alantra Group are in line with those of its shareholders and clients.

The remuneration of the Identified Employees can be consulted in the Alantra Group's annual Solvency Report published on the Company's website. With regard to measures to prevent conflicts of interest, as established in articles 25 to 27 of the Regulations of the Board of Directors, the Directors have a duty to adopt the measures needed to prevent situations where their interests may be in conflict with those of the Company and their duties to it.

Directors are also obliged to inform the Board of Directors if any such conflict arises, for the Board to determine how to handle said conflict.

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

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how variations in the company's performance have influenced changes in the remuneration of directors, including accrued remuneration that has been deferred, and how the latter changes contribute to the short and long-term results of the company.

The remuneration payable to Directors for each component established in the Remuneration Policy derives from the application of criteria and amounts set out therein and are within current established limits. The principles on which said Policy are based, with respect to Directors' remuneration both for their membership of governing bodies and for the performance of their executive duties, have been correctly applied.

In particular, the total remuneration paid to Directors as members of the Board of Directors amounted to 605,150 euros, within the 800,000 annual limit set in the Policy.

With respect to the Executive Chairman, the only director with executive functions, in 2023:

- the Executive Chairman earned fixed remuneration of 300,000 euros, as established in the current Remuneration Policy, and
- as explained in other sections of this report, the Executive Chairman voluntarily waived any variable remuneration accruing to him for 2023 and, therefore, no amount of variable remuneration was paid to him in this connection.

Since the Executive Chairman did not earn any variable remuneration in 2023, the provisions contained in the Remuneration Policy applicable to 2023 in relation to variable remuneration and, in particular, those relating to the determination of the qualitative component were not applied in that year.

B.4. Report on the result of the advisory vote at the annual general meeting on remuneration in the previous year, indicating the number of abstentions, votes against, blank votes, and votes in favour that may have been cast:

	Number	% of total
Votes cast	29,153,469	75.46

	Number	% of cast
Votes against	184,075	0.63
Votes for	28,968,774	99.36
Blank votes		0.00
Abstentions	620	0.00

Remarks

B.5. Explain how the fixed components accrued and vested during the year by the directors as such have been determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

The members Company's Board of Directors are entitled to receive the following remuneration in accordance with the Directors' Remuneration Policy: (i) the Chairman and Vice Chairman are each paid 54,000 euros per annum, the Coordinating Director is paid 45,000 euros and the other members are paid 36,000 euros per annum.; and (ii) per diems of 1,500 euros per Board meeting attended and 750 euros per Committee meeting attended (1,500 euros to the Committee Chairs). Directors are not remunerated if they do not attend. No remuneration is paid for decisions adopted by the Board in writing with no meeting taking place.

The Board has also approved an increase in the fixed remuneration (for membership of the Board) paid to the Committee Chairs and one independent director in recognition of his work in the financial year, as disclosed in section C.1. of this report. Said increases are detailed below:

- An increase of 40,000 euros in the remuneration paid to the Chair of the CNR
- An increase of 30,000 euros in the remuneration paid to two independent directors who presided over the Audit and Risk Control Committee in 2023, in proportions of two thirds / one third.
- An increase of 30,000 euros in the remuneration paid to an independent director.
- An increase of 3,000 euros in the remuneration paid to an independent director.

B.6. Explain how the salaries accrued and vested by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

The Executive Chairman, the Company's only executive director, received a fixed remuneration in 2023 for the performance of his executive and management duties of 300,000 euros, in accordance with his current employment contract as Executive Chairman.

As a result of the amendments made to the Company's Directors' Remuneration Policy approved at the Annual General Meeting held on 27 April 2023, the amount of the Executive Chairman's fixed remuneration increased from 1,400,000 euros in 2022 to 300,000 euros in 2023.

B.7. Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year ended.

In particular:

- a) Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, date of approval, date of implementation, vesting conditions if applicable, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time required to be in a position to suitably measure all the conditions and criteria stipulated. Detailed explanation of the applicable criteria and factors regarding the time required and methods used to check the performance terms and conditions or any other type of term or condition to which accruals and vesting of each variable remuneration component are associated have been effectively fulfilled.
- b) In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions for acquiring unconditional ownership (vesting) and for exercising these options or financial instruments, including the price and time limit for exercise.
- c) Each director, and the category of his or her directorship (executive directors, proprietary non-executive directors, independent non-executive directors and other outside directors) that are beneficiaries of remuneration schemes or plans that include remuneration.
- d) Where applicable, deferred or postponed payment periods that have been established and applied and/or retention/non-disposal periods of shares and other financial instruments, if they exist.

Describe the short-term variable components of the remuneration systems:

As previously described, the Executive Chairman, the Company's only executive director, voluntarily waived any variable remuneration accruing to him for 2023 and, therefore, no amount of variable remuneration was paid to him in this connection.

Since the Executive Chairman did not earn any variable remuneration in 2023, the provisions contained in the Remuneration Policy applicable to 2023 in relation to variable remuneration and, in particular, those relating to the determination of the qualitative component were not applied in that year.

Lastly, as no other Company directors perform executive functions, no other directors earned variable remuneration in 2023 in accordance with the terms of the Remuneration Policy in force.

Describe the long-term variable components of the remuneration systems:

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

In March 2018 the Board of Directors approved a change to the contract of the Company's Executive Chairman to include, among other items, a claw-back clause to allow variable components of his remuneration to be recovered.

The Executive Chairman's contract does not, at present, contain any malus clause.

Said clause was not exercised in 2023.

B.9. Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether 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 for economic rights of directors to vest and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

The Company has not approved any long-term savings systems.

B.10. Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended.

In 2023 the Directors did not receive any remuneration or other payment in compensation for the termination or early termination of their contracts, whether due to the decision of the Company or the Director.

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where such is the case, explain the changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have been explained in Section A.1.

The contract of the Executive Chairman, the Company's only executive director, was amended in 2022 to reflect the changes made to the Directors' Remuneration Policy approved by the Annual General Meeting of 27 April 2022 in relation to the Executive Chairman's remuneration. As explained in the supporting report issued by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors, the amendment aimed to update the remuneration of the Company's Executive Director for the same reason it was updated in 2018 and 2023 which was to establish an appropriate and competitive system for the Company's only executive director which, at the same time, would not have a negative effect on the entity's risk level but would not prevent the existing restrictions on the proportion between fixed and variable remuneration from jeopardising the alignment of the Executive Chairman's interests with the achievement of the Company's target profits.

In particular, the Executive Chairman's remuneration, as the Company's executive director, was amended as follows:

(a) reduction in the annual fixed component by 1,100,000 euros to reach 300,000 euros per year; and (b) maintenance of the current variable remuneration model, albeit with (i) an increase from 60% to 90% of the upwards or downwards variance in the quantitative component of the variable remuneration according to the degree of compliance with the qualitative objectives, and (ii) elimination of the sum of 1,100,000 euros to be subtracted from the resulting variable remuneration.

In addition, as a result of the changes to the Remuneration Policy approved by the Annual General Meeting on 27 April 2023, an amendment to the Executive Chairman's contract was approved to include a clause allowing the Company, by resolution of the Board of Directors, payment of the Executive Chairman's variable remuneration (i) may be deferred for a period of between three and five years, and (ii) part of it may be paid in shares of Alantra or similar non-monetary instruments permitted under the applicable regulatory framework in force from time to time, provided that the circumstances obliging the Company to apply such measures in accordance with the framework exist at the Alantra Group, in which case they must be applied in the minimum terms permitted by such legislation..

B.12. Explain any additional remuneration accrued to directors as consideration for services rendered other than those inherent in the position.

No additional remuneration accrued to directors as consideration for services rendered other than those inherent in the position.

B.13. Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, the essential features and the amounts eventually returned, as well as the obligations taken on by way of guarantee.

No remuneration is paid deriving from advances, loans or guarantees.

B.14. Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

The Executive Chairman is the only director who receives remuneration in kind, comprising 50% of the payments for the health insurance policy covering his immediate family (2,398.08 euros).

B.15. Explain the remuneration accrued by directors by virtue of payments made by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

No remuneration was accrued by directors by virtue of payments made by the listed company to a third company at which the director renders services.

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.

No additional remuneration is earned by the directors.

C. BREAKDOWN OF INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR

Name	Type	Accrual period 2023
Mr. SANTIAGO EGUIDAZU MAYOR	Executive Chairman	Between 01/01/23 and 31/12/23
Mr. SANTIAGO BERGARECHE BUSQUET	Vice Chairman Other External	Between 01/01/23 and 31/12/23
Mr. JOSÉ JAVIER CARRETERO MANZANO	Independent Director	Between 01/01/23 and 31/12/23
Mr. LUIS CARLOS CROISSIER BATISTA	Coordinating Director	Between 01/01/23 and 31/12/23
Ms. MARÍA GARAÑA CORCES	Independent Director	Between 01/01/23 and 31/12/23
Mr. JOSE ANTONIO ABAD ZORRILLA	Proprietary Director	Between 01/01/23 and 31/12/23
Mr. JORGE MATAIX ENTERO	Proprietary Director	Between 01/01/23 and 31/12/23
Ms. SILVIA REINA PARDO	Proprietary Director	Between 01/01/23 and 31/12/23
Ms. CATHERINE ELIZABETH LEWIS DE LA TORRE	Independent Director	Between 27/04/23 and 31/12/23

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

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total 2023	Total 2022
Mr. SANTIAGO EGUIDAZU MAYOR	54	12		300					366	3,152

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Name	Fixed remuneration	Per diems	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total 2023	Total 2022
Mr. SANTIAGO BERGARECHE BUSQUET	54	11		300					65	66
Mr. JOSÉ JAVIER CARRETERO MANZANO	36	23						40	99	89
Mr. LUIS CARLOS CROISSIER BATISTA	45	26						40	111	114
Ms. MARÍA GARAÑA CORCES	36	21						20	77	89
Mr. JOSE ANTONIO ABAD ZORRILLA	36	15							51	51
Mr. JORGE MATAIX ENTERO	36	17							53	53
Ms. SILVIA REINA PARDO	36	12							48	48
Ms. CATHERINE ELIZABETH LEWIS DE LA TORRE	25	8						3	36	

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of Plan	Financial instruments at start of 2023		Financial instruments awarded during 2023		Financial instruments vested during the year				Instruments matured and not exercised	Financial instruments at end of 2023	
		No. instruments	No. equivalent shares	No. of instruments	No. equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousand euros)	No. of instruments	No. of instruments	No. equivalent shares
No figures												

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Remarks

iii) Long-term savings systems.

Name	Remuneration for vesting of rights in savings systems
No figures	

Name	Contribution for the year made by the company (thousand euros)				Amount of accumulated funds (thousand euros)			
	Savings systems with vested economic rights		Savings systems with unvested economic rights		Savings systems with vested economic rights		Savings systems with unvested economic rights	
	2023	2022	2023	2022	2023	2022	2023	2022
No figures								

Remarks

iv) Breakdown of other benefits

Name	Item	Amount of remuneration
No figures		

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Remarks

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total 2023	Total 2022
No figures										

Remarks

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of Plan	Financial instruments at start of 2023		Financial instruments awarded during 2023		Financial instruments vested during the year				Instruments matured and not exercised	Financial instruments at end of 2023	
		No. of instruments	No. equivalent shares	No. of instruments	No. equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousand euros)	No. of instruments	No. of instruments	No. equivalent shares
No figures												

Remarks

iii) Long-term savings systems.

Name	Remuneration for vesting of rights in savings systems
No figures	

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Name	Contribution for the year made by the company (thousand euros)				Amount of accumulated funds (thousand euros)			
	Savings systems with vested economic rights		Savings systems with unvested economic rights		Savings systems with vested economic rights		Savings systems with unvested economic rights	
	2023	2022	2023	2022	2023	2022	2023	2022
No figures								

Remarks

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iv) Breakdown of other benefits

Name	Item	Amount of remuneration
No figures		

Remarks

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ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

c) Summary of remuneration (thousands of euros):

The summary should include the amounts earned by the director in respect of all types of compensation disclosed in this report (in thousands of euros).

Name	Remuneration earned in the Company					Remuneration earned in group companies					Total year 2023, Company + Group
	Total cash remuneration	Gross profit from vested shares and financial instruments	Remuneration under savings systems	Remuneration from other benefits	Total year 2023, Company	Total cash remuneration	Gross profit from vested shares and financial instruments	Remuneration under savings systems	Remuneration from other benefits	Total year 2023, Group	
Mr. SANTIAGO EGUIDAZU MAYOR	366				366						366
Mr. SANTIAGO BERGARECHE BUSQUET	65				65						65
Mr. JOSÉ JAVIER CARRETERO MANZANO	99				99						99
Mr. LUIS CARLOS CROISSIER BATISTA	111				111						111
Ms. MARÍA GARAÑA CORCES	77				77						77
Mr. JOSE ANTONIO ABAD ZORRILLA	51				51						51
Mr. JORGE MATAIX ENTERO	53				53						53
Ms. SILVIA REINA PARDO	48				48						48
Ms. CATHERINE ELIZABETH LEWIS DE LA TORRE	36				36						36
TOTAL	906				906						906

Remarks

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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 accrued and % year-on-year change								
	2023	% variation 2023 / 2022	2022	% variation 2022 / 2021	2021	% variation 2021 / 2020	2020	% variation 2020 / 2019	2019
Executive Directors									
Mr. SANTIAGO EGUIDAZU MAYOR	366	-88.39	3,152	-17.01	3,798	70.16	2,232	-26.24	3,026
External directors									
Mr. SANTIAGO BERGARECHE BUSQUET	65	-1.52	66	13.79	58	-25.64	78	-2.50	80
Mr. LUIS CARLOS CROISSIER BATISTA	111	-2.63	114	12.87	101	14.77	88	-21.43	112
Mr. JORGE MATAIX ENTERO	53	0.00	53	0.00	53	60.61	33	-38.89	54
Mr. JOSE ANTONIO ABAD ZORRILLA	51	0.00	51	-1.92	52	57.58	33	-38.89	54
Ms. SILVIA REINA PARDO	48	0.00	48	60.00	30	-	0	-	0
Mr. JOSÉ JAVIER CARRETERO MANZANO	99	11.24	89	8.54	82	6.49	77	-24.51	102
Ms. MARÍA GARAÑA CORCES	77	-13.48	89	9.88	81	5.19	77	-24.51	102
Ms. CATHERINE ELIZABETH LEWIS DE LA TORRE	26	-	0	-	0	-	0	-	0
Consolidated profit of the company									
	13,688	-78.02	62,287	-34.89	95,662	132.25	41,190	-38.67	67,161
Average remuneration paid to employees									
	155	-8.82	170	-37.04	270	71.97	157	-19.49	195

Remarks
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D. FURTHER INFORMATION OF INTEREST

If there is any relevant aspect of director remuneration that it has not been possible to include in the other subsections of this report, but that it is necessary to include in order to provide more comprehensive and reasoned information regarding the remuneration practices and structure of the company as regards its directors, briefly explain.

N/A

This annual remuneration report was approved by the Board of Directors at its meeting held on:

20/03/2024

Indicate whether any director voted against or abstained from approving this report.

Yes

No