

## **REPORT FROM THE APPOINTMENTS AND REMUNERATION COMMITTEE OF ALANTRA PARTNERS, S.A. REGARDING THE PROPOSAL TO APPROVE THE REMUNERATION POLICY FOR DIRECTORS**

### **1. INTRODUCTION**

This report is prepared by the Appointments and Remuneration Committee (the "Committee") of the Board of Directors of ALANTRA Partners, S.A. (the "Company") in accordance with the provisions of article 529 novodecies of the Royal Legislative Decree 1/2010 of 2 July approving the revised text of the Spanish Companies Act ("LSC"), which establishes the obligation that the remuneration policy for directors be approved by the general meeting of shareholders at least every three years, and that the proposal for said policy be justified and accompanied by a report from the Appointments and Remuneration Committee (the "Report").

Thus, the Report is prepared for the purpose of justifying the proposal of the Company's remuneration policy for directors, which the Board of Directors must propose in a reasoned manner to the Shareholders' Meeting for its approval (the "Directors' Remuneration Policy").

The Report and the proposal for the Directors' Remuneration Policy will be made available to shareholders on the Company's website from the date on which the notice of the General Meeting at which approval is proposed is published.

### **2. REMUNERATION POLICY OF DIRECTORS**

The Directors' Remuneration Policy was first approved by the Shareholders' Meeting on 28 April 2015 for the financial years 2015 and 2016, and subsequently amended and renewed by resolutions of the Shareholders' Meeting on 27 April 2016 for the financial years 2016 and 2017, and on 28 April 2018 for the financial years 2018 to 2020.

Consequently, and in accordance with section three of article 529 novodecies of the LSC, which establishes that the remuneration policy for directors will remain in force for the three financial years following that in which it was approved by the General Meeting, it is necessary for the Company's Board of Directors to propose to the Shareholders' Meeting, for its approval, the renewal or modification of the Directors' Remuneration Policy for the next three financial years.

### **3. JUSTIFICATION OF THE PROPOSAL AND CONCLUSIONS OF THE COMMITTEE**

Given that the Company is the parent company of a group of investment services companies, the Company is obliged to comply with the obligations imposed by the securities market regulations with regard to remuneration. For such purposes, and in accordance with the provisions of article 189 of Royal Legislative Decree 4/2015 of 23 October approving the revised text of the Securities Market Law, the Company must have, under conditions that are proportionate to the nature, scale and complexity of its activities, a remuneration policy that is consistent with the promotion of sound and effective risk management and that takes into account the appropriate management of conflicts of interest.

As a result, the Company's current Directors' Remuneration Policy already includes the restrictions imposed by stock market regulations on remuneration, in particular the limit on the variable remuneration of the Executive Chairman, which may not exceed 200% of his fixed remuneration.

On the basis of the foregoing, and given the situation of the different business areas of the ALANTRA Group and the financial situation of the Company, the Committee believes that the current Policy on the Remuneration of Directors of the Company is adequate and does

*(Translation for information purposes)*

not require modification. In view of the foregoing, the Committee believes that the Board is justified in proposing to the Shareholders' Meeting the renewal of the current Directors' Compensation Policy for the following three years from its approval by the Shareholders' Meeting, i.e. for the years 2021 to 2023.

\* \* \*

The proposed Policy on the Remuneration of Directors of the Company is attached to this report as an Annex.

Madrid, 27 July 2020

## ANNEX

### PROPOSAL FOR THE REMUNERATION POLICY OF THE DIRECTORS OF ALANTRA PARTNERS, S.A.

#### 1. INTRODUCTION

The Board of Directors, at the proposal and following a report from the Appointments and Remuneration Committee, submits to the General Meeting of Shareholders the Policy on Remuneration of the Directors of ALANTRA Partners, S.A. (the "Company"), both in their capacity as such and for the performance of executive duties, in accordance with the provisions of Article 529 novodecies of Royal Legislative Decree 1/2010 of 2 July, which approves the Law on Corporations.

#### 2. REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH

In accordance with Article 20 of the Articles of Association of Alantra Partners, S.A. (the "Company"), the system of remuneration of the Directors in their capacity as such shall consist of a fixed annual allowance payable quarterly and of attendance fees for each meeting of the Board of Directors or its Committees.

The fixed annual allocation for each of the Directors shall be determined by the Board of Directors on the basis of their membership of Committees and the individual duties and responsibilities assigned to them respectively in relation to the Board and, where appropriate, its Committees.

Directors shall receive an attendance fee for each meeting of the Board as a whole or of its Committees in which they participate, the amount of which shall be determined by the Board of Directors.

The total maximum amount that the Company may pay to the Directors for both concepts, fixed assignment and attendance fees, in their capacity as such, may not exceed 800,000 euros.

#### 3. REMUNERATION OF EXECUTIVE DIRECTORS

It is envisaged that the Executive Chairman, who will have the status of Chief Executive Officer, will be the sole Executive Director.

The remuneration for the performance of the executive functions inherent to the position of Managing Director, independently of the remuneration as a director in his capacity as such, will consist of a fixed remuneration of one million euros per year plus an annual variable remuneration that will have two components:

- ✓ a quantitative component for an amount equivalent to 3.2% of the Company's pre-tax profit, excluding the result derived from operations or accounting adjustments not materialized in cash or equivalent instruments, with the Company's Audit and Risk Control Committee having to verify the calculation of the amount of this quantitative component; and
- ✓ a qualitative component, whose criteria, indicators and/or parameters to be achieved will be established annually by the Appointments and Remuneration Committee, and which will address, among others and mainly, the following objectives: (i) the development of the capacities of the team of professionals integrated in the Company's group, (ii) the sustainability of income, (iii) the promotion of solid and effective risk management and (iv) the maximization of value for the shareholder. The degree to which these objectives are met will modulate the amount resulting from the provisions of the previous paragraph, either upwards or downwards, by up to 60%.

Once the variable remuneration of the Executive Chairman has been determined in accordance with the foregoing, an amount of 700,000 euros will be deducted from it, unless the variable remuneration is less than that amount, in which case no variable remuneration will accrue in favour of the Executive Chairman.

The Executive Chairman's contract will be of indefinite duration and will include an exclusivity undertaking. It will not provide for indemnities in the event of termination by decision of the Company, although it will include six months' notice applicable in the event of termination without cause by decision of the Company or the Executive Chairman.

The contract with the Executive Chairman (very significant shareholder) will not include any post-contractual non-competition agreement.

The Executive Chairman's contract will include a recovery clause allowing the Company to claim the reimbursement of variable components of the remuneration when these have been paid on the basis of data whose inaccuracy is subsequently accredited.

#### **4. DURATION**

This policy shall apply to the remuneration of directors during the financial years 2021 to 2023, both inclusive, unless the General Shareholders' Meeting adopts a resolution that modifies or replaces it during its period of validity.

Madrid, 28 July 2020