

## REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF ALANTRA PARTNERS, S.A. IN RELATION TO THE PROPOSAL FOR APPROVAL OF THE DIRECTORS' REMUNERATION POLICY

### 1. INTRODUCTION

This report is drawn up by the Appointments and Remuneration Committee (the "**Committee**") of the Board of Directors of Alantra Partners, S.A. (the "**Board**" and the "**Company**", respectively) in accordance with the provisions of article 529 *novodecies* of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act ("**Companies Act**"), which establishes the obligation for the directors' remuneration policy to be approved by the general meeting of shareholders at least every three years, and for the proposal of said policy to be reasoned 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 directors' remuneration policy that the Board must propose in a reasoned manner to the Shareholders' Meeting for approval (the "**Directors' Remuneration Policy**").

The Report and the proposed 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 it is proposed to be approved is published.

### 2. REMUNERATION POLICY FOR DIRECTORS OF THE COMPANY

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 28 April 2018, for the financial years 2018 to 2020.

The current Remuneration Policy was approved by the General Meeting of Shareholders held on 28 October 2020 for the financial years 2021 to 2023 (both inclusive), although it was subsequently amended by resolution of the General Meeting of Shareholders held on 27 April 2022, without altering its validity.

Consequently, and in accordance with the provisions of section three of article 529 *novodecies* of the Companies Act, which establishes that the directors' remuneration policy shall remain in force during the three financial years following that in which it was approved by the general meeting, it is necessary for the Board to propose to the General Meeting of Shareholders, for its approval, the renewal or amendment of the Directors' Remuneration Policy for the following three financial years, i.e. for the financial years 2024 to 2026 (both inclusive).

### 3. JUSTIFICATION OF THE PROPOSAL AND CONCLUSIONS OF THE COMMISSION:

As stated in the proposal made by the Board on 22 March 2022, and in the mandatory report of the Committee of 22 March 2022, the amendment of the current Remuneration Policy approved by the General Shareholders' Meeting on 27 April 2022, sought, among other things, to update the remuneration of the executive chairman for the same purpose for which it was updated in 2018, that is, to establish an appropriate and competitive system for the only executive director of the Company which, in addition, would not have a negative impact on the level of risk of the entity, but which would prevent the existing restrictions on the ratio between fixed and variable remuneration from harming the alignment of the interests of the executive chairman

with the achievement of the Company's performance objectives.

Thus, as a consequence of the aforementioned amendment, the Shareholders' Meeting approved to update the remuneration of the Executive Chairman in order to

- (i) to increase the fixed remuneration of the executive chairman for the financial year 2022 and subsequent years by 400,000 euros to 1,400,000 euros; and
- (ii) maintain its current variable remuneration scheme, but (i) increasing from 60% to 90% the percentage of upward or downward variation of the quantitative element of the variable remuneration based on the degree of fulfilment of qualitative objectives, and (ii) increasing from 700,000 to 1,100,000 the amount to be deducted from the resulting variable remuneration.

Notwithstanding the foregoing, the Directors' Remuneration Policy itself, as amended and approved by resolution of the aforementioned meeting, provided that if during the term of the same (i) Directive (EU) 2019/2034 of 27 November 2019 on the prudential supervision of investment firms ("IFDs") and its implementing regulations were to apply to the Spanish legal system, and (ii) the financial supervisor, based on the activities and risks of the Alantra Group, would remove the current restrictions limiting the ratios between the variable and fixed component of the total remuneration of key executives, the fixed remuneration of the executive chairman would return to the initial amount of EUR 300,000 and the adjustment percentage would return to the initial amount of EUR 300,000 and the percentage adjustment, upwards or downwards, of the variable remuneration would return to 60%, as established in the Company's Directors' Remuneration Policy in force during the 2016 and 2017 financial years.

Likewise, the Remuneration Policy itself, as amended and approved by the meeting of 27 April 2022, established that such reversal of conditions would occur, if applicable, with economic effects as of 1 January of the financial year in which the circumstances described under (i) and (ii) of this paragraph are met.

Whereas,

- (i) that the IFD Directive, which should have been integrated into the Spanish legislation by 26 June 2021, has finally been transposed by the approval of Law 6/2023 of 17 March on Securities Markets and Investment Services, and will be completed with the approval of the draft Regulation on Investment Services Companies, which is expected to be approved shortly (the "**New Regulatory Framework**"); and
- (ii) that the New Regulatory Framework allows for the removal of the current limiting restrictions on the ratios between the variable component and the fixed component of the total remuneration of key executives, without prejudice to the establishment of appropriate ratios between these components,

the Committee understands that the circumstances provided for in the current Directors' Remuneration Policy have been met and that, therefore, the aforementioned revision of conditions is applicable with economic effect as of 1 January 2023.

Likewise, and on the basis of the foregoing, the Committee considers the proposal of the new Directors' Remuneration Policy attached to this Report to be justified, and which, in general terms, entails the following modifications with respect to the policy in force until financial year 2023:

- a) Return to the fixed and variable remuneration scheme of the executive chairman in accordance with the provisions of the Company's Directors' Remuneration Policy in force during the 2016 and 2017 financial years given that (i) his fixed

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remuneration represents a sufficiently high proportion of his total remuneration, which enables the application of a fully flexible policy with regard to his variable remuneration, (ii) its variable remuneration is calculated as a percentage of the Company's profit before tax, excluding the result arising from transactions or accounting adjustments not materialised in cash, the calculation of the amount of this quantitative component being verified by the Company's Audit and Risk Control Committee, which allows the Company to have a solid capital base.

- (iii) Establish the mechanisms that allow the Company to defer and pay part of the executive chairman's variable remuneration in Alantra shares or similar non-cash instruments, in the event of the circumstances established in the New Regulatory Framework, and in the minimum terms required by said framework.

The proposed Remuneration Policy for Directors of the Company is attached to this report as an **Appendix**.

Madrid, 22 March 2023

## ANNEX

### REMUNERATION POLICY FOR DIRECTORS OF ALANTRA PARTNERS, S.A. FOR THE FINANCIAL YEARS 2024-2026

(PROPOSED BY THE BOARD OF DIRECTORS AT ITS MEETING HELD ON 22 MARCH 2023 AND BY THE GENERAL MEETING ON 27 APRIL 2023)

#### 1. INTRODUCTION

This document contains the Remuneration Policy for the directors of Alantra Partners, S.A. (the "**Remuneration Policy**" and the "**Company**", respectively) which, unless subsequently amended or replaced with the approval of the General Meeting of Shareholders of the Company, shall be in force until the financial year 2023, inclusive.

The proposal of the Remuneration Policy, as well as the reasoned proposal of the Board of Directors and the report of the Appointments and Remuneration Committee in support thereof, are available on the Company's corporate website as from the call to the General Shareholders' Meeting. Once approved, such documentation shall remain available on the corporate website, together with the date of approval and the result of the vote for at least the term of the Remuneration Policy.

#### 2. PRINCIPLES AND OBJECTIVES

The Remuneration Policy, formulated in accordance with the provisions of the Articles of Association and the Regulations of the Board of Directors, is the instrument through which the criteria for the remuneration of the Company's directors are established.

The Remuneration Policy aims to remunerate directors in a manner appropriate to the qualifications required, the responsibility assumed and the dedication provided, ensuring that such remuneration is appropriate in accordance with market requirements, that it is necessary to attract and retain directors with the desired profile, and that it is proportionate so as not to compromise the independence of judgement of non-executive directors.

The guiding principles and foundations of the Remuneration Policy in relation to the remuneration of directors, both executive and in their capacity as such, for the performance of such duties are as follows:

a) Competitiveness and moderation:

The remuneration of the Company's directors should be designed to attract and retain the most outstanding profiles suitable for the fulfilment of the Company's objectives and business strategy, and should be aligned with best market practices. The remuneration scheme should be commensurate with the characteristics of the Company and the business model and strategy, and combine the principles of moderation and competitiveness, taking into account market benchmarks of comparable companies.

b) Adequacy and proportionality:

The remuneration of directors in their capacity as such shall be appropriate to the size and composition of the Board of Directors and the amounts shall be such as are

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necessary to foster effective dedication, high qualifications and responsibility, and without compromising the independence of the directors.

c) Link with the Alantra Group's strategy:

A significant part of the remuneration of the Company's executive directors will be linked to the achievement of results that reflect the strategic priorities of the Alantra Group.

d) Alignment with the Company's stakeholders, sustainability and environmental commitment:

The Remuneration Policy will be reviewed periodically to ensure alignment between the achievement of results and the sustainable creation of value for the Company and its shareholders.

Improvements and advances in sustainability and the environment should be criteria to be considered when determining the variable remuneration of executive directors.

e) Long term:

The remuneration scheme for directors should be aligned with the long-term objectives and values of the Company.

f) Transparency:

The remuneration of the Company's directors is disclosed to the market through the legally established channels, in a fully and completely transparent manner.

g) Securities market regulations:

Given the Company's status as the parent company of a group of investment services companies, the Company shall comply with the obligations imposed by securities market regulations on remuneration. For such purposes, and in accordance with the provisions of such regulations, the Company shall have, in conditions proportionate to the nature, scale and complexity of its activities, a remuneration policy for its personnel consistent with the promotion of sound and effective risk management that allows it to maintain at all times a capital base appropriate to its risks and economic cycle, and that provides for an adequate management of conflicts of interest.

h) Decision-making process with the participation of the different competent bodies:

Under the terms set forth in the Law and in the Good Corporate Governance Recommendations, the role of the Company's governing bodies (General Shareholders' Meeting, Board of Directors and its Committees) must be fundamental in the decision-making process regarding directors' remuneration.

In the event of a review of the Remuneration Policy, the views of shareholders on the Remuneration Policy or on the Annual Remuneration Report since the date of the most recent vote on the Remuneration Policy at the Annual General Meeting shall be taken into account.

### **3. CONSIDERATION OF WORKERS' PAY AND EMPLOYMENT CONDITIONS**

In determining the remuneration conditions of the executive chairman, the common application of the Stock Market regulations to the Alantra Group's staff is taken into consideration, as well as the fact that the variable remuneration is not guaranteed, but is applied as a percentage of the operating profit of the different companies or units of the Alantra Group. Likewise, the remuneration of the Alantra Group's staff, in general, also incorporates fixed elements, variable components, as well as the possibility of remuneration in kind or social benefits. In particular, the Alantra Group's Remuneration Policy is based, among others, on the principle that the fixed component represents a sufficiently high proportion of the total remuneration to enable the application of a fully flexible policy with regard to the variable components of the remuneration, including the possibility of not paying any variable component in the event of circumstances that justify it.

In setting the remuneration of directors and staff in general, the Alantra Group gives special consideration to (i) non-discrimination for any reason (gender, age, race or beliefs), (ii) professional category and, consequently, level of responsibility, and (iii) the application of schemes that favour the attraction and retention of talent.

### **4. DECISION-MAKING PROCESS FOR SETTING REMUNERATION POLICY**

The decision making process of the Remuneration Policy is carried out through the application of the principles and rules established in the applicable legislation (mainly the Capital Companies Act and the Securities Market Act) and in the Company's internal regulations (Board of Directors' Regulations and General Meeting Regulations).

### **5. CONFLICT OF INTEREST MANAGEMENT EN**

By virtue of the basic obligations deriving from the duty of loyalty, and in particular the duty to avoid situations of conflict of interest, provided for in articles 228 and 229 of the Companies Act, directors shall be obliged to adopt the necessary measures to avoid incurring in situations in which their interests may conflict with the corporate interest and their duties to the Company. These duties are further developed in articles 25 to 27 of the Board of Directors' Regulations. Furthermore, the director shall be obliged to report the existence of such conflicts, if any, to the Board of Directors, which shall decide on their resolution.

### **6. REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH**

Pursuant to article 20 of the Company's Articles of Association, the remuneration system for directors in their capacity as such shall consist of a fixed annual allowance payable quarterly and attendance fees for each meeting of the Board of Directors or its Committees.

The fixed annual allowance of 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, as the case may be, its Committees.

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

The maximum total amount that the Company may pay to directors for both items, fixed allowance and attendance fees, in their capacity as such, may not exceed 800,000 euros. Within the maximum limit, the Board may agree on additional remuneration, in the form of an increase in the fixed remuneration of the directors in their capacity as such, which shall consist of a fixed amount that shall be approved on a special basis for each financial year in consideration of the special contribution of the directors to the achievement of the strategic objectives of the Alantra Group in accordance with the principles of the Remuneration Policy.

## **7. REMUNERATION OF EXECUTIVE DIRECTORS**

It is envisaged that the executive chairman, who has the status of CEO, will be the sole executive director.

The remuneration for the performance of the executive duties inherent to his status as chief executive officer, independently of his remuneration as a director in his capacity as such, shall consist of a fixed remuneration of 300,000 euros per annum plus an annual variable remuneration that shall have two components:

- a quantitative component for an amount equivalent to 3.2% of the Company's profit before tax, excluding the result arising from transactions or accounting adjustments not materialised in cash or cash equivalents, the calculation of the amount of this quantitative component being verified by the Company's Audit and Risk Control Committee;
- and a qualitative component, whose criteria, indicators and/or parameters to be achieved shall be established or assessed annually by the Appointments and Remuneration Committee, and which shall address, among others and mainly, the following objectives: (i) the development of the skills of the team of professionals integrated in the Company's group, (ii) the sustainability of revenues, (iii) the promotion of sound and effective risk management that encourages the responsible behaviour of the entity and promotes awareness of the risks associated with its activities and a prudent assumption of such risks, (iv) compliance with the sustainability initiatives established by the competent body of the Company, (v) the design and execution of corporate operations that contribute to the generation of value for the Company and (vi) the maximisation of shareholder value. The degree of compliance with such objectives shall modulate the amount resulting from the provisions of the preceding paragraph, either upwards or downwards, by up to 60% thereof.

Other issues relating to the contract with the CEO will be as follows:

- The executive chairman's contract shall be for an indefinite term and shall include an exclusivity agreement. It shall not provide for indemnities for termination by decision of the Company, although it shall include a six-month notice period applicable in the event of termination without cause by decision of the Company or the executive chairman.
- The contract of the executive chairman (a very significant shareholder of the Company) will not include any post-contractual non-competition covenant.
- The executive chairman's contract shall include a clawback clause allowing the company to claim reimbursement of variable components of remuneration when these have been paid on the basis of data subsequently proven to be inaccurate.

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- The executive chairman's contract shall include a clause allowing the Company, by agreement of the Board of Directors, to (i) defer a portion of his variable remuneration over a period of between three and five years; and (ii) pay a portion of his variable remuneration in Alantra shares or similar non-cash instruments permitted by the New Regulatory Framework, provided that the circumstances exist in the Alantra group that oblige the Company to apply such measures in accordance with the aforementioned framework, in which case they shall be applied in the minimum terms permitted by said regulations.

## **8. VALIDITY**

This Policy is an amendment to the Policy approved by the General Meeting on 20 October 2020 for the period 2021-2023 (as subsequently amended by resolution of the General Meeting on 27 April 2022) and will therefore apply to directors' remuneration for the financial years 2024, 2025 and 2026, unless the General Meeting of Shareholders adopts a resolution amending or replacing it during its period of validity.

Madrid, 27 April 2023