



# Remuneration Policy

2024 - 2025

17 September 2024

Director remuneration policy for 5357-58



## 1. Approach and scope of application

This document sets out the remuneration policy applicable to the directors of Cox ABG Group, S.A. (the "**Company**") in compliance with the legal requirements established by the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*] enacted by Royal Legislative Decree 1/2010 of 2 July (the "**Remuneration Policy**").

Without prejudice to the Corporate Enterprises Act, the Remuneration Policy will enter into force upon approval by the General Meeting and will remain in force during the year after the year it was approved. Therefore, the Remuneration Policy will apply from its approval and during the current year and the following year (i.e., 2024 and 2025).

The Company's General Meeting may resolve to amend or replace this Remuneration Policy at any time during this period at the proposal of the Board with a favourable report for the Appointments and Remuneration Committee.

The remuneration of the Company's directors may only deviate from the Remuneration Policy in the cases, and subject to the requirements, in which this is permitted by the Corporate Enterprises Act or, as the case may be, by the legislation in force from time to time.

## 2. Objective and Principles

### 4 Objective

Director remuneration should in all cases be in reasonable proportion to the importance of the company, its economic position at any given time, and the market standards of comparable companies. The purpose of this policy is to establish, within the remuneration system provided for in the Articles of Association, the basis for the remuneration of the members of the Board, to establish a remuneration system that contributes to creating sustainable value for the Company's shareholders over the long term and



that is compatible with its business strategy, objectives, values, sustainability and long-term interests. Therefore, the remuneration policy set out below is appropriately proportionate and incorporates the necessary precautions to avoid excessive risk-taking and the rewarding of unfavourable outcomes, while pursuing its predominant objective of attracting, retaining and motivating the most outstanding and appropriate professionals to achieve the Company's strategic interests and objectives in a sustainable and cost-effective manner.

## 5, Principles

To achieve the above objectives, the Company's Remuneration Policy is governed by the following principles:

- i. Adequacy and competitiveness: The Company should ensure that the remuneration of its directors strikes an appropriate balance between the Company's importance and satisfying the Company's interests and strategy, as well as the need to attract, engage and motivate professionals who can, through their contribution, help it achieve its strategic objectives.
- ii. Proportionality: Director remuneration should be sufficient to remunerate the dedication, qualifications and responsibility required for directors to discharge their duties, but not so high as to compromise the independence of judgement of non-executive directors.
- iii. Long-term profitability and sustainability: The remuneration system should be geared towards promoting the profitability of the Company and its long-term sustainability, and should incorporate the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavourable results.
- iv. Achievement of objectives in the interests of shareholders and other stakeholders: The Remuneration Policy takes into account the interests of both shareholders and employees, seeking in all cases to



foster the commitment of all the Company's professionals to the Company and to personal and corporate ethics.

- v. Transparency: The Remuneration Policy and the specific rules for determining remuneration will be clear and transparent.

### 3. Directors' remuneration for the performance of their supervisory and collegial decision-making duties

#### 6,4 Rules under the Articles of Association

Under the Company's Articles of Association, the position of director must be remunerated. The remuneration of the directors will consist of a fixed annual cash payment as well as additional remuneration in the form of shares, provided that the latter is agreed in advance by the General Meeting. The Company may also take out liability insurance for all of its directors on terms that are customary and proportionate to its circumstances.

Under the Articles of Association, the total amount of remuneration the Company may pay to all its directors must not exceed the amount determined for this purpose by the General Meeting.

Based on the maximum annual amount set and approved by the General Meeting, the Board is responsible for setting the individual remuneration paid to each director for sitting on the Board within the framework of the Articles of Association and, in particular, in accordance with this Remuneration Policy. Nevertheless, the Board may in any case modulate and adapt the annual remuneration in accordance with the circumstances that may arise at any given time, taking into account the criteria included in this section, and always within the principles set forth in this Remuneration Policy.

#### 6,5, Remuneration items

The directors' remuneration system will consist of the following remuneration items:



- Fixed annual remuneration for serving on the Board.
- Additional annual fixed remuneration for sitting on the following board committees: the audit committee, the appointments and remuneration committee and the sustainability committee.
- Additional annual fixed remuneration for chairing board committees.
- Additional fixed annual remuneration for the status of coordinating independent director.
- Remuneration in the form of shares upon effective admission to trading of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and their inclusion in the Stock Exchange Interconnection System (Continuous Market) ("**Admission to Trading**").

In addition, as described in section 6 below, the directors will also be covered under the third-party directors and executives liability insurance that the Company will take out for this purpose.

#### 6,6, Maximum remuneration

The maximum annual remuneration that the Company may pay to all its directors is EUR 1,500,000. This maximum amount will remain the same until the General Meeting determines otherwise.

This limit does not include: (a) any wages, compensation of any nature or payments made to executive directors for performing their executive duties, in accordance with the Articles of Association and their respective contracts with the Company; (b) payments of premiums on the third-party liability insurance taken out by the Company for its directors; (c) the stock options referred to under 3.5 below; (d) any reimbursement of out-of-pocket expenses incurred by directors for attending meetings of the Board or any of its Committees.

The maximum aggregate amount for all the directors may be increased during the period of validity, if there is a variation in: (a) the number of



members of the Board; (b) the number of members of each of the committees; and (c) the number of committees that the Board may set up with advisory functions to better carry out its duties.

#### 6,7, Fixed annual remuneration for serving on the Board

The Board is responsible for distributing the maximum annual amount among its members and for this purpose will establish the criteria for determining the amounts corresponding to each director, taking into account, in addition to any other objective circumstances it considers relevant: (a) the director's category; (b) the director's role on the Board and any of its Committees; (c) the specific tasks and responsibilities undertaken during the year; (d) the experience and expertise required to perform those tasks; or (e) the amount of time and dedication required to perform those tasks. Accordingly, the following allocations are determined:

- Compensation for serving on the Board: EUR 75,000.
- Compensation for serving on the Audit Committee: EUR 10,000.
- Additional compensation for chairing the Audit Committee: EUR 10,000.
- Compensation for serving on the Appointments and Remuneration Committee: EUR 10,000.
- Additional compensation for chairing the Appointments and Remuneration Committee: EUR 10,000.
- Compensation for serving on the Sustainability Committee: EUR 10,000.
- Additional compensation for chairing the Sustainability Committee: EUR 10,000.
- For acting as coordinating director, when performed by a director who does not chair any of the committees of the Board: EUR 10,000.



#### 6,8, Fixed remuneration in the form of stock options

Under the Company's Articles of Association, and if so resolved in advance by the General Meeting, all directors may receive additional remuneration in the form of shares in the Company. Accordingly, after the Admission to Trading, the General Meeting may approve a plan to pay all its directors in stock options, which under section 219 Corporate Enterprises Act must include the maximum number of shares that may be allotted each year, the value of the shares, if any, to be taken as a reference and the term of the plan. The number of shares to be paid out may in no case exceed 0.4% of the Company's total outstanding shares immediately after the Admission to Trading. The actual distribution of the number of shares to be paid to each director must be approved by the Board. Each director will only be paid their relevant shares after leaving the Board.

The remuneration will serve as an incentive for the dedication, work and responsibility each director must provide to hold the position, without this remuneration being considered to compromise the directors' independence of judgement.

#### 4. Director remuneration for carrying out executive duties

In determining and designing the remuneration policy for executive directors, the wages and working conditions of the Company's employees as a whole have been taken into account, in particular the terms and main elements of the remuneration system applicable to employees of the different groups as well as to the Company's management.

Without prejudice to the remuneration they may receive as members of the Board, as detailed in section **¡Error! No se encuentra el origen de la referencia.** above, the remuneration policy for executive directors for performing executive duties with full or principal dedication, including the Executive Chair, will be as follows:

#### 7,4Long-term variable remuneration ]long-term incentive plan{

To incentivise the achievement of financial targets and ensure that the interests of the Company's executive directors and senior management are



in line with its own interests, executive directors are allowed to participate as beneficiaries in the long-term incentive plans implemented by the Company from time to time. The objectives established in the plans will be aligned with generating value for all its stakeholders and will be approved by the Board at the beginning of each plan cycle, at the proposal of the Appointments and Remuneration Committee.

The incentive plans may be indexed to Company's share price, which would entail paying remuneration in the form of shares in the Company or in remuneration schemes consisting of stock options. In that case, the General Meeting will determine the maximum number of shares that may be allocated each year to this remuneration system, the exercise price or system for calculating the exercise price of the stock options, the value of the shares that, as appropriate, may be used as an index, and the duration of the plan.

The metrics that could be included in the long-term variable remuneration could be financial or non-financial in nature and may include shareholder value creation objectives. Some of the metrics may be measured relative to a comparator group of competing companies.

The Appointments and Remuneration Committee will monitor the objectives on an annual basis, and at the end of the plan, the degree of achievement will be determined. In determining the level of achievement of the targets and the proposed bonus, any economic effects, whether positive or negative, arising from extraordinary events that could distort the results of the assessment will be eliminated and the long-term quality of the results will be considered. The long-term variable remuneration will not be paid until the annual accounts for the last period of the plan have been drawn up and an external audit report has been obtained.

#### 7.5, Remuneration from other sources

Executive directors may, in addition to the amounts and items under this Remuneration Policy, receive other amounts from other companies of the Group, provided that this does not represent a conflict of interest for performing their duties as executive directors. When Executive Directors





receive remuneration from other Group companies due to the existence of service contracts entered into between them and the Executive Director, a maximum limit of EUR 450,000 gross will apply. Contracts entered into with companies in which the Company holds a stake must be approved by the Board, subject to a report from the Appointments and Remuneration Committee and with the exception of any service contracts approved before the Admission to Trading, which must in any case be ratified by the Appointments and Remuneration Committee after the Admission to Trading.

#### 7,6, One-off payments

In the event of special circumstances, the Board may establish remuneration linked to specific and pre-set objectives that encourage the achievement of objectives linked to those special operations. Likewise, the Board may exceptionally establish remuneration both in consideration for singular achievements that have contributed decisively to the Company's results, and in consideration for the financial losses in their annual remuneration suffered by those who assume the position of executive director of the Company and leave the executive or management positions that they had held in other companies outside the Group prior to and up to when they became executive directors in the Company.

#### 7,7, Social security and social benefits

In addition, the Board may recognise benefits for executive directors in the area of social security complementary to the protective action of state social security: group savings insurance, pension plans and/or life insurance. In any case, the Company will only make contributions to defined contribution pension plans. The contribution and vesting terms of the economic rights in favour of executive directors will be detailed, if applicable, in their respective contracts.

## 5. Terms and conditions of contracts signed with executive directors



The remuneration, rights and compensation of a financial nature of the executive directors are determined in their respective contracts, always observing the Articles of Association and the Remuneration Policy.

The contracts entered into with executive directors are for an indefinite term and will terminate automatically on the date when the executive directors cease to be executives of the Company or otherwise no longer perform executive duties on the Company's Board, with no notice required from the Company in the event of gross fraud and wilful misconduct by the executive director or for incurring in any of the prohibitions or incompatibilities provided for in the Articles of Association, or it will be three (3) months in all other cases, and the contracts include non-disclosure clauses and clauses on using the Company's resources and ethical duties.

## 6. Third-party liability insurance

The Company will take out third-party liability insurance for its directors on market terms. The cover of this insurance will include, on terms available on the insurance market, claims arising within five years after leaving office as a director that are caused by or related to performing their office and constitute a risk arising from it.

The Company will bear separately, without these items being considered director remuneration, the travel and accommodation expenses of the directors required for performing their duties and responsibilities, as well as those incurred for providing them the means and facilities that may be appropriate for this purpose.

## 7. Remuneration policy applicable to new directors

The remuneration system described above will apply to any director who joins the Company's Board during the term of this Remuneration Policy.



## 8. Approval and entry into force

The Remuneration Policy will be effective as from the date it is ultimately effectively approved by the General Meeting, and it will remain in force for the current year and the following year (i.e., 2024 and 2025). Any modification or replacement of the Remuneration Policy during its term will require the prior approval of the General Meeting in accordance with the legislation in force. If no changes are proposed to the Remuneration Policy during this period, a new policy will be presented for approval at the 2026 General Meeting.

In any event, any remuneration paid to the directors must be in accordance with the Remuneration Policy in force from time to time.