

Directors' Remuneration Policy

Introduction

The Directors' Remuneration Policy (the "**2025 Policy**"), set out below, is subject to a shareholder vote at the Company's 2025 annual general meeting ("**2025 AGM**"). This Policy will take effect from the date it is approved by shareholders, replacing the policy approved at last year's AGM. The 2025 Policy is expected to apply for three years.

As the Company is incorporated in Spain, the vote on the 2025 Policy will be advisory rather than binding (which is the case for UK incorporated companies). Nevertheless, the Board will only authorise payments to Directors that are consistent with the 2025 Policy (as approved by shareholders).

The Group's policy on Directors' remuneration has been set with the objective of attracting, motivating and retaining high calibre directors, in a manner that is consistent with best practice and aligned with the interests of the Group's shareholders. The policy on Directors' remuneration is that the overall remuneration package should be sufficiently competitive to attract and retain individuals of a quality capable of achieving the Group's objectives. Remuneration policy is designed such that individuals are remunerated on a basis that is appropriate to their position, experience and value to the Company.

Consideration of employment conditions elsewhere in company

In setting the remuneration policy for Directors, the pay and conditions of other Group employees are taken into account. The Committee is provided with data on the remuneration structure for senior members of staff below the Executive Director level and uses this information to ensure consistency of approach throughout the Group. The Committee does not directly engage with the workforce on executive remuneration but, the workforce has the opportunity to raise any issues (including those on executive remuneration) in the employee engagement initiatives.

Workforce engagement

Provision 41 of the Code requires the remuneration committee report to state what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy.

Since the Company moved up to the Main Market on 29 April 2024 and became subject to the Code, steps have been taken to be able to report compliance with Code provision 41. Given the extensive shareholder engagement exercise undertaken in relation to executive remuneration in the autumn of this year (see page 90) and the consequent formulation of a revised Directors' Remuneration Policy, there has been no direct engagement with the workforce to explain how executive remuneration aligns with wider company pay policy during the year although consideration

has been taken of pay and employment conditions across the Group in ensuring executive remuneration aligns with wider company pay policy. The Remuneration Committee will consider direct workforce engagement regarding executive remuneration during 2025. In the meantime, the Committee can confirm that the Company's approach to salary increases is aligned throughout Atalaya.

Statement of consideration of shareholder views

Shareholders views are considered when evaluating and setting remuneration strategy. Opportunities to discuss the remuneration strategy are available during individual meetings with institutional shareholders when requested or as part of a shareholder consultation process as well as by voting on the report at the AGM.

During the final quarter of 2024, the Committee carried out a detailed review of the Remuneration Policy that had been approved at the Company's 2024 AGM:

- » noting last year's AGM took place just three months following the Company's move from AIM to the Main Market whilst the Company was in the midst of a process to redomicile from Cyprus to Spain; and
- » in the light of feedback received.

The Committee also took further independent advice from FIT.

Feedback received from shareholders and the main shareholder representatives at the time of the AGM was largely centred around a desire for greater levels of disclosure in respect of annual and long-term incentives (such as quantum, performance metrics, and targets) and a requirement for greater shareholder protections (such as the operation of bonus deferral, post vesting holding periods, and in- and post-employment shareholding requirements).

Following consideration of shareholder feedback, the Committee formulated the outline of a new Directors' Remuneration Policy and sought engagement on the proposed approach with the Company's 30 largest shareholders (comprising almost 80% of the Company's current issued share capital) and the main shareholder representatives.

During the engagement process, the Committee received written feedback, and the Committee Chair, Company Chair and Company Secretary attended a number of meetings with major shareholders.

Changes to the Directors' Remuneration Policy

A summary of the key changes is set out below.

Annual bonus

On-target and maximum potential aligned to market

On-target and maximum annual bonus potential for Executive Directors will be set at 150% of salary with on target performance being rewarded at 50% of the maximum. This compares to maximum potential for 2024 set at 100% of salary with on target performance rewarded at 75% of this lower maximum.

Introduction of bonus deferral

Compulsory bonus deferral will be introduced such that one third of any bonus awarded to Executive Directors who have not met their in-employment shareholding requirement will be deferred into shares for two years. The Committee retains discretion to defer a greater proportion of any bonus award into shares where considered appropriate.

Long-term incentive plan ("LTIP") awards

Introduction of a market aligned annual LTIP Policy

An annual LTIP grant policy will be introduced whereby Executive Directors will receive annual awards capped at 200% of salary (300% of salary in exceptional

circumstances) albeit the CEO's 2025 LTIP award will be limited to 175% of salary. LTIPs will normally vest three years from grant, subject to continued employment and the achievement of three-year performance conditions. Post vesting, a two-year holding period will operate for awards granted to Executive Directors.

Shareholder protections

Introduction of discretion

The Committee will retain discretion to adjust bonus payments / LTIP vestings if formulaic outcomes do not reflect the Committee's assessment of overall business performance including consideration of shareholder experience and the individual executive's performance.

Increase to in-employment shareholding requirements

In-employment requirements for Executive Directors will be increased from 100% to 200% of salary. New appointments will normally have a five-year period from their date of appointment to build up their minimum shareholding requirement.

Introduction of post cessation shareholding requirements

Post-cessation shareholding requirements will be introduced for Executive Directors, set at 200% of salary (or, if lower, the actual shareholding on departure) for two years post cessation.

Executive Directors' remuneration policy table

continue →

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Fixed Remuneration			
Base salary			
Core element of remuneration. To set at a level which is sufficiently competitive to recruit and retain individuals of the appropriate calibre and experience.	Basic salary is normally reviewed annually as at 1 January with reference to company performance; the performance of the individual Executive Director; the individual Executive Director's experience and responsibilities; market conditions and pay and conditions throughout the Company.	There is no prescribed maximum annual base salary or salary increase. The Committee is guided by the general increase for the broader employee population but has discretion to decide a lower or a higher increase.	n/a
Pension			
To help recruit and retain high performing Executive Directors. To provide market competitive benefits.	The Company may offer pension provision and/or a cash supplement in lieu of pension.	10% of salary.	n/a
Benefits			
To help recruit and retain high performing Executive Directors. To provide market competitive benefits.	To date a Company car has been provided. The Company intends to introduce private medical and life insurance during the life of the Policy. Additional benefits may be provided if the Committee decides that this is appropriate.	There is no prescribed annual maximum cost.	n/a

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Performance-Related Variable Remuneration			
Short-term incentive			
To incentivise the achievement of a range of short-term performance targets that are key to the success of the Company. To align the interests of the Executives and shareholders to the annual targets.	Executive Directors are eligible to participate in the Company's annual bonus scheme under which an annual bonus is earned subject to achievement of performance measures over the financial year against targets set by the Committee; and continued employment (see below). One third of any bonus awarded to Executive Directors who have not met their in-employment shareholding requirement will be deferred into shares for two years. The Committee retains discretion to defer a greater proportion of any bonus award into shares where considered appropriate. Malus and clawback provisions operate – see below.	Maximum of 150% of salary. Threshold up to 25% of maximum. On target: 50% of maximum.	Performance measures will be majority financial / operational and minority strategic / personal. Performance measures and weightings are reviewed annually to ensure that they continue to support the achievement of the Company's key strategic priorities. Financial targets are set with reference to internal plans and published guidance. The Committee retains discretion to adjust bonus payments if formulaic outcomes do not reflect the Committee's assessment of overall business performance including consideration of shareholder experience and the individual executive's performance.
Long-term incentives			
To support retention, long-term performance and increase alignment between the executives and shareholders. The Company intends to make awards under this structure annually.	Awards are normally made on an annual basis and normally vest three years from grant subject to continued employment and the satisfaction of challenging three-year performance targets. Awards may be structured as conditional awards, nominal cost options and/or forfeitable shares. A two-year holding period following LTIP vesting applies to grants to Executive Directors. In total, this results in a five-year combined vesting and holding period. Malus and clawback provisions operate – see below.	Up to 200% of base salary (300% of salary in exceptional cases).	Performance measures will include financial, operational measures, strategic measures and/or Total Shareholder Return (TSR). Subject to the Committee's discretion to override formulaic outcomes, awards will normally vest as to 25% for threshold performance, increasing to 100% for maximum performance. The measures will be designed to balance commercial success, operational efficiency, and sustainable practices so as to ensure long-term value creation for the Company and its shareholders. Performance will normally be measured over a three-year period. The Committee retains discretion to adjust vesting levels should any formulaic outcome not reflect the Committee's assessment of the overall business performance, including consideration of shareholder and other stakeholder experience.

Shareholding policy

Encourages Executive Directors to build a meaningful shareholding to further align interests with the Company and shareholders.	In-employment minimum requirement Shareholding requirements for Executive Directors are 200% of base annual salary. New appointees will normally have a five-year period from the date of their appointment to build up the minimum shareholding requirement. Until the shareholding requirement is met: » one third of the Executive Director's annual cash bonus will be deferred into shares; and » the Executive Director will be required to retain up to 50% of the net of tax shares they receive under any share incentive arrangement. Post-employment minimum requirement Post-employment shareholding requirements for Executive Directors are 200% of base annual salary for two years post cessation. If the Executive Director has not met the relevant shareholding requirement at the point of cessation of employment, they will be required to retain their full pre-cessation shareholding for the two-year period.
---	--

Non-Executive Directors' remuneration policy table

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Non-Executive Directors' Remuneration			
To attract and retain high calibre non-executives with the necessary experience. To provide fees appropriate to time commitments and responsibilities of each role.	Non-Executive Directors are paid a basic fee. An additional fee is paid for additional time and responsibility such as but not limited to chairing or being a member of a committee.	Fee levels reflect market conditions and are reviewed annually on 1 January each year.	n/a

Other elements of remuneration policy

» Discretion

The Committee will operate the Company's incentive plans according to their respective rules and consistent with normal market practice, including flexibility in a number of regards. These include making awards and setting performance criteria each year, dealing with leavers, and adjustments to awards and performance criteria following acquisitions, disposals, special dividends, changes in share capital and to take account of the impact of other merger and acquisition activity or other significant events, and to settle awards in cash.

The Committee also retains discretion within the policy to adjust the targets, set different measures and/or alter weightings for the annual bonus plan and share awards, pay dividend equivalents and, in exceptional circumstances, under the rules of the Atalaya Long-Term Incentive Plan 2020 to adjust performance conditions to ensure that the awards fulfil their original purposes.

All assessments of performance are ultimately subject to the Committee's judgement. Any discretion exercised, and the rationale, will be disclosed in the Annual Remuneration Report.

» Malus and clawback

Malus and clawback provisions which operate in respect of the annual bonus and LTIP are as follows:

	Malus	Clawback
Annual Bonus	If, prior to payment of the annual bonus, there is reasonable evidence of gross misconduct or gross negligence by an Executive Director and/or there is reasonable evidence of a material breach by an Executive Director of any of the Company's policies relating to business integrity and ethics, and/or there is reasonable evidence of conduct by an Executive Director which results in significant losses or reputational damage to the Atalaya group, the Committee has discretion to reduce or cancel payment of the annual bonus.	Any annual bonus will be subject to clawback if there is a restatement of the Company's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), to the extent that the amount of the annual bonus paid would have been a materially lower amount had it been calculated based on the restated results or if the Executive Director has been involved in a wrongful act. The lookback period for clawback will be a three-year period preceding the date on which the Company determines that it is required to restate materially non-compliant financial statements or discovers that an Executive Director has been involved in a wrongful act.
LTIP	If the Board considers that: » there has been a significant downward restatement of the financial results of the Company; and/or » there is reasonable evidence of gross misconduct or gross negligence by the Executive Director; and/or » there is reasonable evidence of material breach by the Executive Director of the Company's Code of Business Principles or the Company's Code Policies (or equivalent); and/or » there is reasonable evidence of conduct by the Executive Director which results in significant losses or reputational damage to the Company or the Group, and/or » the Executive Director is in breach of any applicable restrictions on competition, solicitation or the use of confidential information (whether arising out of the Executive Director's employment contract, his termination arrangements or any internal policies), it may, in its discretion, at any time prior to vesting, or exercise of an option, decide that: » an award will lapse wholly or in part; » the delivery of shares will be delayed until any action or investigation is completed; and/or » vesting of the award or delivery of the shares will be subject to additional conditions.	If the Board considers there has been a significant downward restatement of the financial results of the Company, it may, in its discretion, within two years of an Award Vesting: » require a Participant to transfer to the Company (or as the Company directs), for nominal or nil consideration, some or all of the after-tax number of Shares which have previously Vested, or pay to the Company (or as the Company directs) an amount equal to the value of those Shares (as determined by the Board); and/or » require the Company to withhold from, or offset against, the grant or Vesting of any other Award to which the Participant may be or become entitled in connection with their employment with the Group such an amount as the Board considers appropriate.



Approach to recruitment and promotion remuneration

The recruitment package for a new Executive Director will be set in accordance with the Directors' Remuneration Policy (the "**Policy**").

- » **Base annual salary:** On recruitment the salary may be set below the normal market rate, with phased increases as the Executive Director demonstrates performance within the Company.
- » **Benefits:** The Policy enables the Committee to include those benefits it deems appropriate for an Executive Director. On recruitment, this may include benefits such as relocation or housing expenses. In arriving at a benefits package, the Committee's prevailing consideration will be to pay only what is considered necessary and appropriate, taking into account the importance of securing the right candidate for the job, acting in the best interests of the Company's stakeholders and limiting certain benefits to a specified time period where possible.
- » **Annual bonus opportunity:** This will reflect the period of service for the year. The maximum will be in accordance with the Policy.
- » **Long-term incentive:** The Committee retains discretion to make an award shortly after an appointment if the usual annual award date has passed. The exceptional limit of 300% of salary is for the Company to be able to attract and secure the right candidate if required.
- » **Variable pay:** With internal appointments, any variable pay element awarded in respect of the individual's prior role will normally be allowed to continue according to its terms.
- » **Compensation for lost arrangements with previous employer:** Any replacement share awards would be made under the Company's Long-Term Incentive Plan 2020 and as permitted under the UK Listing Rule 9.3.2.

Any new awards would take account of the structure of the awards being forfeited (cash or shares), the amount foregone, the extent to which performance conditions apply, the likelihood of meeting any existing performance conditions, and the time left to vesting.

Service contracts: duration and payment obligations

» CEO's Service contract

The service contract of the CEO, Alberto Lavandeira, dated 14 March 2014 (as amended on 25 March 2014 and 21 September 2023) is available for inspection at the Company's registered office at Paseo de las Delicias, 1, 3, 41001, Sevilla, Spain. The details are:

Date of appointment	14 April 2024
Notice period from Company to CEO	6 months
Notice period from CEO to Company	3 months
Unexpired term of contract	Rolling contract
Potential termination payment	On a change of control*

* Mr. Lavandeira's service contract includes a change of control provision whereby in the event that there is a change of control and within 12 months after the event (i) the contract is terminated by the Company; or (ii) the employee terminates his contract with at least three months' notice due to a pre-agreed good reason, the executive will receive the equivalent to 24 months' base salary less any payment made in lieu of notice and any legal severance payment.

» NEDs' Letters of appointment

NEDs have letters of appointment with the Company for an initial three-year period, thereafter renewable with the agreement of both the Company and the NED. The letters of appointment are available for inspection at the Company's registered office at Paseo de las Delicias, 1, 3, 41001, Sevilla, Spain. The details are:

Non-Executive Director	Date of appointment	Notice Period
Hussein Barma	9 September 2015	3 months
Stephen Scott	9 September 2015	3 months
Jesús Fernández	23 June 2015	3 months
Neil Gregson	10 February 2021	3 months
Kate Harcourt	19 May 2022	3 months
Carole Whittall	3 June 2024	3 months
Coriseo González-Izquierdo	14 January 2025	3 months

Policy on setting notice periods

The Company seeks to balance the need to attract and retain high-calibre Executive Directors with best practice in corporate governance. The standard notice period for Executive Directors will not normally exceed six months. The Board may approve a shorter or longer (up to a maximum of 12 months) notice period where it is justified by commercial reasons or market practice.

NEDs are appointed for fixed terms of up to three years, subject to annual re-election by shareholders in accordance with the Code. Their letters of appointment include a notice period of up to three months by either party.

Policy on payments for loss of office

The Company will not provide any payment for loss of office beyond what is contractually required unless it is in the best interests of the Company and its shareholders. Payments will be determined in accordance with the terms of the individual's service contract and applicable employment law. The Company will seek to limit payments on termination to reflect only contractual entitlements, including salary, pension contributions, and benefits during the notice period.

In respect of annual bonus awards, an Executive Director must still be employed by the Company at the time of payment and must not have served or been served notice to terminate employment prior to payment. The Committee retains discretion to allow payments to Executive Directors who do not meet the continued employment requirement at the time of payment because they have died, suffered ill health, injury, or disability, have retired (with the agreement of the Company) or any other reason at the discretion of the Committee if the Committee is of the view that a payment (whether full or partial) is fair and reasonable in all the circumstances.

If an Executive Director leaves employment before vesting, share awards will normally lapse.

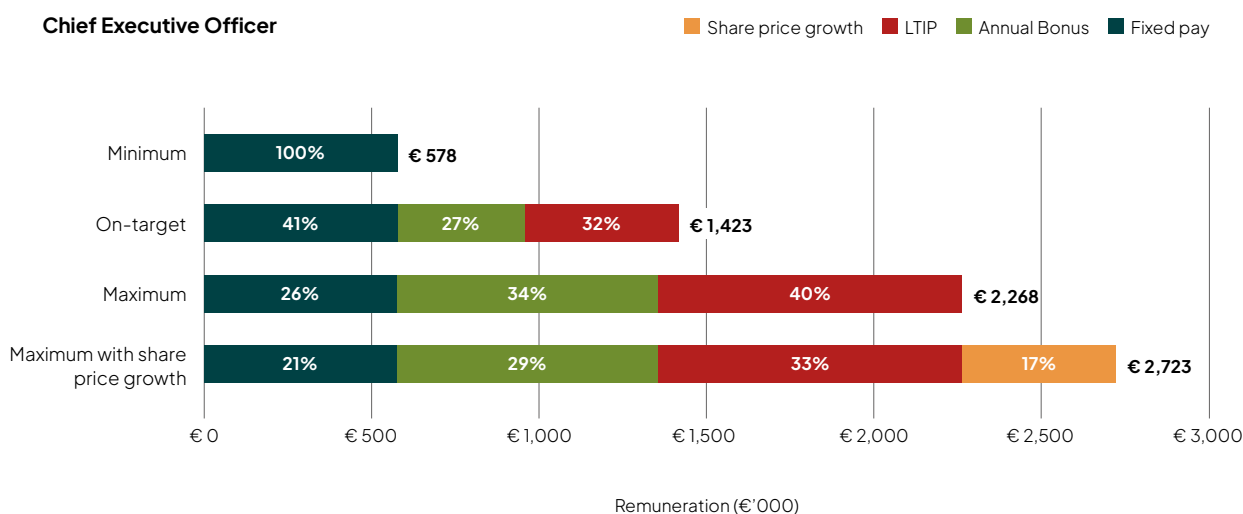
However, if an Executive Director leaves employment before vesting due to death, ill health, injury, disability, retirement (with the agreement of the Company) or another reason at the discretion of the Board:

- » Unvested share awards will vest to the extent that any performance condition has been satisfied on the date of vesting and, unless the Board decides otherwise, the level of vesting will be reduced pro rata to reflect that proportion of the performance period during which the Executive Director was not employed by the Company. The Board may decide that it is appropriate to permit early vesting in which case it will determine the extent to which any performance condition is satisfied.
- » Unvested share options will be exercisable for six months from the later of the date on which the option vests and the date on which the Executive Director left.

If an Executive Director leaves employment for any reason (except for misconduct or breach of employment terms) after share options have vested, their share options will be exercisable for six months from the date on which the Executive Director left.

Policy on fees from external appointments

The Company recognises that external appointments can broaden the knowledge and experience of Executive Directors for the benefit of the Company. Therefore, Executive Directors may accept external appointments as long as they do not lead to a conflict of interest and do not impair their effectiveness in their roles with the Company. Executive Directors are allowed to retain any fees from such external appointments where the appointment is personal and independent of their executive role. The CEO's external appointments are detailed in his biography on page 56 of the Governance Report.



The charts above for the CEO are based on the following:

	Minimum	On-target	Maximum	Maximum with share price
Fixed pay	Base salary at 1 January 2025 Benefits estimated at €6,000 10% pension provision assumed			
Annual bonus CEO max: 150% of salary	0%	50% of max	100% of max	100% of max
LTIP CEO max: 175% of salary*	0%	50% of max	100% of max	100% of maximum with a 50% share price growth assumption on LTIPs

* 175% is the percentage for the first year of the Policy. The maximum potential is 200% of salary (300% of salary exceptional limit) under the Policy.