**FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.**

# PROPOSAL AND REPORT ISSUED BY THE BOARD OF DIRECTORS OF MERLIN PROPERTIES, SOCIMI, S.A. IN RELATION TO THE APPOINTMENT OF MR. JUAN ANTONIO ALCARAZ GARCÍA AS A NOMINEE DIRECTOR BY THE ANNUAL SHAREHOLDERS' MEETING

**In Madrid, on April 4, 2024**

## 1. Introduction

The Board of Directors of Merlin Properties, Socimi, S.A. (the "**Company**") has prepared this explanatory proposal and report on the appointment of Mr. Juan Antonio Alcaraz García as a director of the Company (the "**Report**"), in compliance with the provisions 4 and 5 of article 529.decies of the Capital Companies Law ("**LSC**").

According to the provisions of said article, the proposal of the reelection or appointment of members of the Board of Directors who are not considered independent directors (as in this case) falls to the Board of Directors. Such proposal must be accompanied by an explanatory report from the Board of Directors assessing the (i) competence, (ii) experience and (iii) merits of the proposed candidate, and preceded by a report from the Appointments and Compensation Committee.

## 2. Context of the report

Mr. Juan Antonio Alcaraz García's term of office as a member of the board of directors of Merlin Properties, Socimi, S.A. (the "**Company**"), to which he had been appointed by cooptation, is soon to expire, and NORTIA CAPITAL INVESTMENT HOLDING S.L. has communicated its interest in his continuing to occupy this position.

## 3. Purpose of the Report

In light of the above, this Report is issued by the Board of Directors of the Company for the purposes of:

(i) proposing and justifying the proposed appointment of Mr. Juan Antonio Alcaraz García as a nominee director of the Company; and

(ii) assessing the competence, experience and merits of the candidate proposed for the discharge of the office of nominee director,

all of the above in accordance with the terms of the provisions 4 and 5 of article 529.*decies* of the Capital Companies Law.

In this connection, and in accordance with the provisions of article 529.*decies*.6 of the LSC, the Appointments and Compensation Committee has reported favorably with respect to such reappointment. That report is attached hereto as a **Schedule** for ease of identification.

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## 4. Report of the Appointments and Compensation Committee

In short, the Appointments and Compensation Committee has considered that:

(i)

(a) Nortia maintains its significant holding in the capital of the Company, being its second largest shareholder;

(b) that it has requested the reelection of Mr. Juan Antonio Alcaraz García in its representation.

(ii) the skills and abilities of the director, which are as required and which amply fulfill the needs required by the Company;

(iii) the fact that the candidate meets the requirements of good standing, suitability and of recognized caliber, competence, experience, qualification, training, availability and commitment to his function;

(iv) the absence of obstacles to being a candidate;

(v) the fact that the director has sufficient knowledge and experience in the areas of leadership and business strategy, as well as extensive experience in the world of banking, having held different positions of responsibility that prove his competence, experience and merits for holding the post of director at the Company, and ensure the contribution of multiple viewpoints to the discussion of matters on the Board Of Directors; and

(vi) that his reelection will enhance decision-making and the contribution of multiple points of view in the discussion of matters within its remit.

In light of the foregoing, the Appointments and Compensation Committee has concluded that his continuation as nominee director of the Company would continue to bring significant benefits to the managing body.

## 5. Assessment of the competence, experience and merits of the candidate

Mr. Juan Antonio Alcaraz's competence, experience and merits are clear from his resumé, which shows that:

(i) He holds a degree in Business Administration from CUNEF and a PDG from IESE Business School.

(ii) He began his professional career in 1984 at Arthur Andersen. After working at Nebursa as a Financial Analyst, he went on to hold various executive positions at Banco Central Hispano and Banco Santander Central Hispano until he joined Banco Sabadell in 2003 as General Manager.

(iii) From 2007 to 2023, he served as General Manager at CaixaBank S.A., non-executive Chairman of CaixaBank Payments & Consumer, E.F.C., E.P., S.A.U., non-executive Chairman of Imagin Tech, S.A. and Director of SegurCaixa Adeslas, S.A., S.S.R.

(iv) He is currently the Chairman of the Spanish Association of Executives, member of the Board of Trustees of the Tervalis Foundation and member of the Advisory Board of Universitat Internacional de Catalunya. Since May 2023, he has been working at Nortia Capital Investment Holding as General Manager.

The view formed by the Board of Directors in light of the foregoing is that the candidate meets the requirements in terms of suitability, competence, experience, training and merits necessary and appropriate to be a Company director.

## 6. Justification of the proposal by the Board of Directors

The understanding of the Board of Directors is that for directors to be able to properly exercise their supervisory and control functions at the Company, they must have the required combination of skills and competencies in the following areas:

(a) knowledge of the sectors in which the Company operates;

(b) experience and knowledge in aspects of corporate governance and management of listed companies; and

(c) experience and skills in relation to leadership and business strategy.

Mr. Alcaraz has extensive experience in the world of banking, having held different positions of responsibility that prove his competence, experience and merits for holding the post of director at the Company, and ensure the contribution of multiple viewpoints to the discussion of matters on the Board of Directors.

In view of the above, his background and experience, and the reasons put forward for his appointment by the Appointments and Compensation Committee (which this body echoes), the Board of Directors considers the maintenance of Mr. Alcaraz as a director of the Company to be justified and advisable, believing that such appointment will bring to the Board of Directors a profile which is considered valuable in the pursuit of the Company's activity.

## 7. Conclusions of the Board of Directors

In light of the foregoing, the Appointments and Compensation Committee considers justified the ratification of the appointment of Mr. Juan Antonio Alcaraz García, who was appointed by cooptation pursuant to a resolution of the Board of Directors adopted on June 22, 2023, and that he be reelected and appointed as a director of the Company, classed as a nominee director.

The Board of Directors therefore proposes to the Annual Shareholders' Meeting to be held in 2024, his reelection and appointment as a director, classed as a nominee director.

**8. Category of director to which he belongs or in which he should be classed**

On the Board of Directors, Mr. Juan Antonio Alcaraz García shall represent NORTIA CAPITAL INVESTMENT HOLDING S.L., a shareholder with a significant ownership interest in the Company. Accordingly, in accordance with the applicable legislation, the candidate would have the category of nominee director of the Company.

In Madrid, on April 4, 2024.

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**Schedule**

**<u>FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.</u>**

# REPORT PREPARED BY THE APPOINTMENTS AND COMPENSATION COMMITTEE OF MERLIN PROPERTIES, SOCIMI, S.A. ON THE REELECTION AS NOMINEE DIRECTOR OF MR. JUAN ANTONIO ALCAFRAZ GARCÍA BY THE SHAREHOLDERS' MEETING

**In Madrid, on March 22, 2024**

## 1. Introduction

Mr. Juan Antonio Alcaraz García's term of office as a member of the board of directors of Merlin Properties, SOCIMI, S.A. (the "**Company**"), to which he had been appointed by co-optation, is soon to expire, and NORTIA CAPITAL INVESTMENT HOLDING S.L. has communicated its interest in his continuing to occupy this position. In view of his performance in his functions since he was appointed to the post, consideration is being given to presenting to the Company's shareholders' meeting a proposal for his reelection and appointment as nominee director.

In accordance with the provisions of article 529.*decies*.6 of the Capital Companies Law ("**LSC**"), the proposed appointment or reelection of any non-independent director (as in this case) must be preceded by a report from the Appointments and Compensation Committee (the "**Committee**").

This report (the "**Report**") complies with the provisions of said article.

## 2. Purpose of the Report

This Report is prepared for the purpose of complying with the provisions of article 529.*decies*.6 LSC.

## 3. Analysis of the Appointments and Compensation Committee

In light of the fact that the period for which Mr. Juan Antonio Alcaraz García was appointed as a director is coming to an end (which will occur at the next shareholders' meeting), the Appointments and Compensation Committee has been entrusted with issuing a report in relation to his potential reelection as nominee director.

In the context of Recommendation 14 of the Good Governance Code and of the current director selection policy, this committee has taken into account the following in its analysis:

(i) the needs of the board of directors, pursuant to which consideration has been given to the advisability of the board continuing to have an extensive presence of highly qualified professionals who, with their contributions, enrich the board's debates and decision-making process, and for membership of the board to primarily comprise independent directors;

(ii) the diversity of skills, experience and ages required by the board, which is maintained with the reelection of Mr. Alcaraz Garcïa.

The Committee also highly values:

(i) the fact that Nortia maintains its significant holding in the capital of the

Company, being its second largest shareholder;

(ii) that Nortia has requested the reelection of Mr. Juan Antonio Alcaraz García in its representation.

(iii) the skills and abilities of the director, which are as required and which amply fulfill the needs required by the Company;

(iv) that the candidate meets the requirements of good standing, suitability and of recognized caliber, competence, experience, qualification, training, availability and commitment to his function;

(v) the absence of obstacles to being a candidate;

(vi) the fact that the director has sufficient knowledge and experience in the areas of leadership and business strategy, as well as extensive experience in the world of banking, having held different positions of responsibility that prove his competence, experience and merits for holding the post of director at the Company, and ensure the contribution of multiple viewpoints to the discussion of matters on the board of directors; and

(i) that his reelection will enhance decision-making and the contribution of multiple points of view in the discussion of matters within its remit.

The foregoing has enabled the Appointments and Compensation Committee to conclude that his continuation as nominee director of the Company would continue to bring significant benefits to the managing body.

**4. Conclusions of the Appointments and Compensation Committee.**

Consequently, in light of the foregoing, the Appointments and Compensation Committee considers justified and reports favorably on the proposed reelection of Mr. Juan Antonio Alcaraz García as nominee director of the Company, and supports the reelection proposal to be submitted to the shareholders' meeting to be held in 2024.

**5. Category of director in which he should be classed**

Having regard to Mr. Juan Antonio Alcaraz García's characteristics and in accordance with the applicable legislation, he should continue to be classed as a nominee director of the Company, representing NORTIA CAPITAL INVESTMENT HOLDING S.L.

In Madrid, on March 22, 2024.