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

# REPORT ISSUED BY THE BOARD OF DIRECTORS OF MERLIN PROPERTIES, SOCIMI, S.A. IN RELATION TO THE REELECTION OF MS. MARIA LUISA JORDA CASTRO AS AN INDEPENDENT DIRECTOR BY THE ANNUAL SHAREHOLDERS' MEETING

**Madrid, on April 4, 2024**

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## 1. Introduction

The Board of Directors of Merlin Properties, Socimi, S.A. (the "**Company**") has prepared this explanatory report on the reelection of Ms. Maria Luisa Jordá Castro as an independent director of the Company (the "**Report**"), in compliance with the provisions of article 529.decies.5 of the Capital Companies Law ("**LSC**").

The Board of Directors is required by the provisions of the aforementioned article to issue an explanatory report providing an assessment of the (i) competence, (ii) experience and (iii) merits of the proposed candidate, to be accompanied by a proposal prepared by the Appointments and Compensation Committee, in the case of independent directors.

## 2. 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) justifying the proposed reelection of Ms. Maria Luisa Jordá Castro as an independent director of the Company, by the Annual Shareholders' Meeting to be held in 2024; and

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

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

In this connection and in accordance with the provisions of article 529.decies.4 of the LSC, the Appointments and Compensation Committee has prepared and submitted to the Board of Directors a proposal for the reelection of Ms. Maria Luisa Jordá Castro as an independent director of the Company. Such proposal is attached hereto as a **Schedule** for ease of identification.

## 3. Proposal of the Appointments and Compensation Committee

In short, the Appointments and Compensation Committee, taking into account the work carried out to date by Ms. Maria Luisa Jordá Castro as a Company director, has considered and positively evaluated proposing her reelection, in view, among other factors, of the following:

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

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

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

(iv) the fact that with her reelection (i) an appropriate balance will be maintained on the board of directors as a whole, maintaining the equilibrium between nominee directors and the rest of the capital, and a number of independent directors who make up at least half of the total members of the board, and (ii) it will enhance decision-making and the contribution of multiple points of view in the discussion of matters within its remit; and (iii) will strengthen the presence on the board of directors of the underrepresented gender;

(v) Ms. María Luisa Jordá Castro's impeccable and excellent performance during the term that is coming to an end, both as director and chair of the Appointments and Compensation Committee;

(vi) her knowledge of audit and control matters and compensation matters, in view of the experience she has acquired in these areas over recent years;

(vii) her possession of suitable skills, experience and merits for the discharge of the office of director, and her pertinent academic training in this connection;

(viii) the receipt of positive proposals from the other directors and, in particular, from the independent directors, for the purposes of her reelection as an independent director of the Company; and

(ix) the excellent dedication and excellent performance in the discharge of her office, from the moment she took possession thereof and, in particular, her brilliant work as member of the Audit and Control Committee and as chair of the Appointments and Compensation Committee.

**4. Justification of the proposal by the Board of Directors**

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

(i) proven competence and experience;

(ii) knowledge of the area in which the Company pursues its activity;

(iii) the ability to dedicate themselves to and involve themselves in the Company's businesses; and

(iv) knowledge additional and complementary to that regarding the Company's activity, such as knowledge of financial aspects.

The work performed at the Company by Ms. Maria Luisa Jordá Castro to date evidences her competence, experience and merits for retaining the office of director. Her extensive experience as a director of the Company ensures there will be a diversity of opinion in the debate of matters addressed by the Board of Directors.

In view of the above, and in light of the reasons put forward for her reelection by the Appointments and Compensation Committee (which the Board echoes), the Board of Directors considers the reelection of Ms. Maria Luisa Jordá Castro as a director of the Company to be justified and advisable, in the belief that such reelection will allow the Board of Directors to continue having a member whose profile is considered valuable to the pursuit of the Company's business.

In addition, her position as an independent director will reinforce the role of the Board of Directors as an efficient supervisory body and serve as an effective counterbalance to the nominee directors.

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

The competence, experience and merits of Ms. Maria Luisa Jordá Castro are evidenced by her career, showing that she has the skills required to serve as an independent director. In summary, it should be noted that Ms. Maria Luisa Jordá Castro:

(i) has a degree in Economics and Business Administration from Universidad Complutense de Madrid. She has a Master's in Finance and Investment from the Instituto de Empresa and CECO (1985-1987), and a master's in Digital Business from The Valley Business School (2016-2017), and she completed a Business Angel course at Deusto Business School Madrid (2018);

(ii) she is a member of the Official Register of Auditors (ROAC) and member of the Spanish Institute of Internal Auditors, and Chair of the Technical Advisory Committee;

(iii) has held various executive positions over her 35-year professional career, serving as a member of different Management, Investment and Audit Committees. She worked as Economic and Financial Director of the Deoleo Group until February 2015, Head of Internal Auditing at SOS Corporación Alimentaria (now Deoleo, SA), Head of Internal Auditing and Corporate Governance at Metrovacesa, Director of Finance and Investment at Corporación Empresarial ONCE, Economic and Financial Director of Grupo Alimentos y Aceites S.A., Economic and Financial Director of Testa (formerly Prima Inmobiliaria) and Grupo Ayco (formerly Inmobiliaria Alcázar);

(iv) she was a member of the board of directors of Jazztel from November 2009 to March 2016 and a member of the Audit Committee and member of the Audit Committee and member of the Board of Directors of Orange España, S.A. since March 2016 and member of the Audit Committee until March

2024. She served as chair of the Audit Committee of Jazztel from October 2011 to July 2015, member of the board of directors and member of the Audit and Control Committee of Tubos Reunidos, S.A. from May and June 2015, respectively, through to September 2016, member of the Board of Directors of Banco Europeo de Finanzas (100% subsidiary of Unicaja), being chair of the Audit and Risk Committee from May 2018 through to March 2019, and a member of the Governance Committee and of the Audit Committee of Institute of Directors and Managers (ICA) from June 2013 through to December 2016;

(v) she currently serves as: independent director of Grupo Bimbo in Mexico (listed company) and member of the Audit and Corporate Practices Committee, since April 2016, and member of the Evaluation and Results Committee since April 2022; member of the Board of Directors of Bankinter, and Chairman of the Risk and Compliance Committee and member of the Audit Committee, the Executive Committee and the Sustainability and Appointments Committee.

In short, in the view of the Board of Directors, the candidate meets the appropriate and necessary requirements in terms of suitability, competence, experience, training, merits and commitment in order to continue forming part of the Board of Directors of the Company.

**6. Conclusions of the Board of Directors.**

In light of the foregoing, the Board of Directors considers it justified that Ms. Maria Luisa Jordá Castro be reelected as an independent director of the Company for having the necessary competence, experience and merits to do so.

The Board of Directors therefore proposes to the Annual Shareholders' Meeting to be held during 2024, as does the Appointments and Compensation Committee, that she be reelected as an independent director of the Company.

**7. Category of director to which she belongs or in which she should be classed**

Ms. Maria Luisa Jordá Castro would be classed as an independent director of the Company.

Madrid, on April 4, 2024

## Schedule

FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.

# PROPOSAL ISSUED BY THE APPOINTMENTS AND COMPENSATION COMMITTEE OF MERLIN PROPERTIES, SOCIMI, S.A. IN RELATION TO THE REELECTION OF MS. MARÍA LUISA JORDÁ CASTRO AS AN INDEPENDENT DIRECTOR

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

## 1. Introduction

The Appointments and Compensation Committee (the "**Committee**") of Merlin Properties, Socimi, S.A. (the "**Company**") has prepared this proposal for the reelection of Ms. María Luisa Jordá as an independent director of the Company (the "**Proposal**"), in compliance with the provisions of article 529.*decies*.4 of the Capital Companies Law ("**LSC**").

In accordance with that article, the Appointments and Compensation Committee is responsible for proposing the appointment or reelection of members of the Board of Directors in the case of independent directors.

In addition, pursuant to the provisions of article 529.*decies*.5 LSC, the Proposal must be accompanied by an explanatory report from the board that assesses the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the Shareholders' Meeting or of the meeting of the Board itself.

## 2. Analysis by the Appointments and Compensation Committee – Suitability of the candidate

In light of the fact that the period for which Ms. María Luisa Jordá Castro was appointed as a director is coming to an end, the Appointments and Compensation Committee commenced the corresponding analysis in order to evaluate her reelection.

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, in the context of 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 knowledge, experiences, age and gender required by the board, which is maintained with the reelection of Ms. Jordá.

The Committee also highly values:

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

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

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

(iv) the fact that with her reelection (i) an appropriate balance will be maintained on the board of directors as a whole, maintaining the equilibrium between nominee directors and the rest of the capital, and a number of independent directors who make up at least half of the total members of the board, and (ii) it will enhance decision-making and the contribution of multiple points of view in the discussion of matters within its remit; and (iii) will strengthen the presence on the board of directors of the underrepresented gender.

Additionally, the Appointments and Compensation Committee has considered the following main aspects, which were already considered in the context of her prior reelection:

(i) Ms. María Luisa Jordá Castro's impeccable and excellent performance during the term that is coming to an end, both as director and chair of this committee;

(ii) her knowledge of audit and control matters and compensation matters, in view of the experience she has acquired in these areas over recent years;

(iii) her possession of suitable skills, experience and merits for the discharge of the office of director, and her pertinent academic training in this connection;

(iv) the receipt of positive proposals from the other directors and, in particular, from the independent directors, for the purposes of her reelection as an independent director of the Company; and

(v) the excellent dedication and excellent performance in the discharge of her office, from the moment she took possession thereof and, in particular, her brilliant work as member of the Audit and Control Committee and chair of the Compensation Committee.

The foregoing has enabled this committee to conclude that her reelection as independent director of the Company would bring significant benefits to the managing body.

## 3. Conclusions and proposal of the Appointments and Compensation Committee

In conclusion, the Appointments and Compensation Committee considers that Ms. María Luisa Jordá Castro has the (i) competence, (ii) experience and (iii) merits necessary to be reelected as an independent director of the Company and, accordingly, proposes her reelection by the Shareholders' Meeting as an independent director of the Company.

Likewise, this Appointments and Compensation Committee has concluded (and reports favorably in this regard) that it is justified that Ms. Jordá should continue to hold the offices of (i) chair of the Appointments and Compensation Committee, and (ii) member of this Audit and Control Committee, posts which she has performed in a manner above reproach.

## 4. Category of director in which she should be classed

Having regard to Ms. María Luisa Jordá Castro's characteristics and in accordance with the applicable legislation, she should continue to be classed as an independent director of the Company.

In Madrid, on March 22, 2024.