MERLIN

FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.

RESOLUTION PROPOSED TO THE ANNUAL SHAREHOLDERS' MEETING OF MERLIN PROPERTIES, SOCIMI, S.A. CALLED FOR APRIL 29 AND APRIL 30, 2025, ON FIRST AND SECOND CALL, RESPECTIVELY

ITEM FIVE ON THE AGENDA:

Approval, for the purposes of article 529 novodecies of the Revised Capital Companies Law, of the Directors' Compensation Policy.

PROPOSED RESOLUTION:

"For the purposes of article 529 novodecies of the Revised Capital Companies Law, to approve:

(i) the Directors' Compensation Policy, which is described and set out in the document entitled "MERLIN-2025 Directors' Compensation Policy", which has been made available to the shareholders, along with the requisite report by the Appointments and Compensation Committee, at the time of the call notice for this Shareholders' Meeting and is attached as an ***Exhibit*** *for ease of reference; and*

(ii) that the Directors' Compensation Policy, which is described and set out in the document entitled "MERLIN-2025 Directors' Compensation Policy", be applicable from the date of its approval and for the following three fiscal years."

Exhibit

MERLIN-2025 Directors' Compensation Policy

DIRECTOR REMUNERATION POLICY OF MERLIN PROPERTIES, SOCIMI, S.A.

26 March 2025

1. INTRODUCTION

At its meeting of 26 March 2025, the Board of Directors of MERLIN Properties, SOCIMI, S.A. ("MERLIN Properties" or the "Company", indistinctly) approved, following a proposal from the Appointments and Remuneration Committee ("NRC"), to submit this remuneration policy for 2025 (once it has been approved by the General Shareholders' Meeting), 2026, 2027 and 2028 (the "Remuneration Policy" or the "Policy") to the binding vote of the 2025 General Shareholders' Meeting, as a separate item on the agenda, in compliance with the revised text of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*] enacted by Royal Legislative Decree 1/2010, of 2 July, as amended by Law 5/2021, of 12 April, regarding the promotion of long-term shareholder engagement in listed companies [*Ley 5/2021, de 12 de abril, en lo que respecta al fomento de la implicación a largo plazo de los accionistas en las sociedades cotizadas*].

This new Policy continues the previous policy approved by the Annual General Shareholders Meeting on 4 May 2022 with 90.7% of votes in favour. In particular, with respect to Executive Directors, one of the cornerstones of the policy remains linking a high percentage of their remuneration to the Company's results and to creating value for its shareholders, according to the following main criteria:

- Fixed remuneration: The increase is 10% for both the Chief Executive Officer (CEO) and the Chief Operating Officer (COO). This amount has not been changed since 2017.
- Short-term incentive plan (STIP): The weight of the financial objectives is increased from 70% to 80%. In relation to the amounts, as a percentage of Fixed Remuneration, the target and maximum levels for the CEO remain unchanged (the amounts in euros are increased by 10% due to the increase in the amount of Fixed Remuneration). For the COO, in addition to the 10% increase in Fixed Remuneration, the target (from 75% to 112.5% of Fixed Remuneration) and maximum amounts (from 100% to 150% of the Fixed Remuneration) has been adjusted.
- In relation to the Long-Term Incentive Plan (LTIP), as a percentage of Fixed Remuneration, the target and maximum levels for the CEO remain unchanged (the amounts in euros are increased by 10% due to the increase in the amount of Fixed Remuneration).

On the other hand, in line with our commitment to transparency and good governance, the company has decided to eliminate the possibility of granting extraordinary compensation. This measure aims to increase the predictability and clarity of the Executive Directors' remuneration system, ensuring a more structured, objective approach aligned with the interests of shareholders.

The Board agreed to these terms, upon proposal of the NRC, after considering the votes in the last annual director remuneration reports, as well as the internal and external factors described in the table below:

Internal factors	External factors
• The results achieved in recent years, including in particular creating value for shareholders. • Strategic priorities in the short and long term, especially new business verticals. • Increased complexity and business volume with the development of the Data Centre vertical. • Internal equity with the remuneration terms of managers and other employees.	• General recommendations on good corporate governance at the national and international level. • Recommendations received in the process of engaging with institutional shareholders and their proxy advisers. • The practices of comparable industries and companies and market trends in general (benchmarking).

In relation to the remuneration of external directors, the maximum annual amount to be paid, as approved by the Annual General Shareholders Meeting held on 17 June 2020, is maintained, although some adjustments have been made to the fixed allowances for membership on the Appointments and Remuneration Committee and the Sustainability and Innovation Committee.

Any compensation received by the directors for the exercise or termination of their position, as well as, where applicable, for the performance of executive functions, will be in accordance with the Remuneration Policy, except for the compensation expressly approved by the General Shareholders' Meeting of MERLIN Properties.

2. PRINCIPLES OF THE REMUNERATION POLICY

The Remuneration Policy seeks to attract, retain and engage the best professionals and thus achieve the Company's long-term objectives, incorporating the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavourable results.

Considering the above, the Policy is basically based on the following principles and criteria:

(i) proportionality, the economic situation of the Company and its environment, and market standards;

(ii) transparency in the information on the director remuneration;

(iii) ensuring the Directors' interests are aligned with those of MERLIN's shareholders and other stakeholders, with its business objectives, and with long-term value creation.

(iv) a focus on promoting the Company's profitability, prudent risk management and long-term sustainability;

(v) remuneration commensurate with each Director's professional worth, experience, dedication and responsibility, with Executive Directors being remunerated solely for performing executive duties and not for their work as Directors;

(vi) variable remuneration in line with the achievement of targets linked to the Company's short- and long-term strategic plans and the interests of shareholders, without being guaranteed, but sufficiently flexible to not pay, or partially pay, this component if the targets set are not achieved;

(vii) consistency with regulatory developments, best practices, recommendations and national and international trends in the remuneration of directors of listed companies;

(viii) guaranteeing non-discrimination on grounds of gender, age, culture, religion or race, and remaining consistent with the group's sustainability objectives.

(ix) sufficient pay to remunerate the Directors' qualifications, dedication and responsibility, ensuring that talent is attracted and retained on the Board.

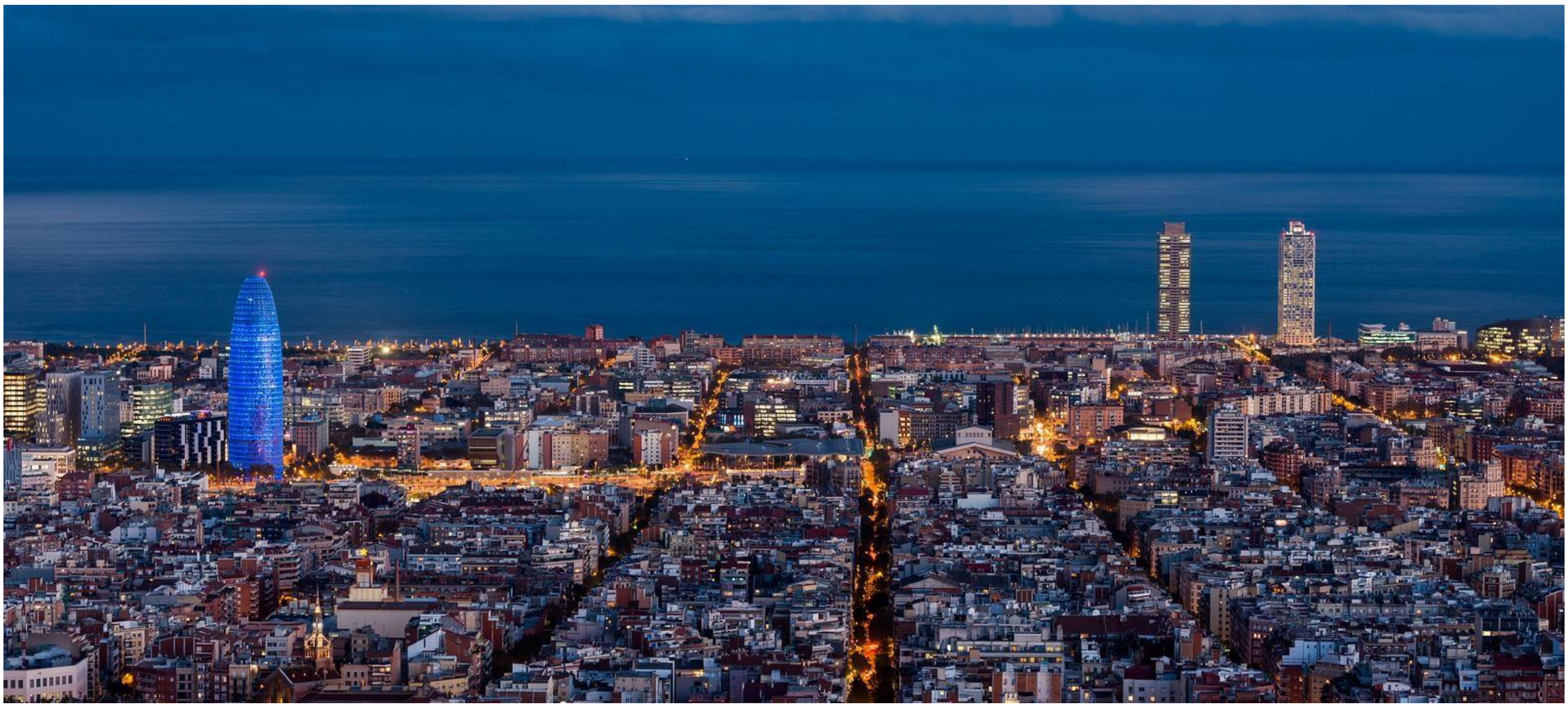
3. "WHAT DO WE DO" AND "WHAT DO WE NOT DO"

What we do:

- Variable remuneration is aligned with both the interests of shareholders and those of the Company as a whole, incorporating targets linked to its sustainability strategy.
- Linking a high percentage of the remuneration to the Company's profits ("pay for performance").
- Short-term incentive plan (STIP):
  - The weight of the financial metrics linked to the STIP represents at least 80%.
  - The weight of the non-financial metrics linked to the STIP represents a maximum of 20%.
  - Deferment for two years of payment of 50% of the STIP earned, where applicable.
  - Inclusion of targets linked to sustainability.
- 2025-27 Long-Term Incentive Plan:
  - Incentive based in shares.
  - The entire incentive is linked to performance.
  - Three-year target measurement period.
  - Linked to metrics aligned with creation of value for shareholders and objectives related to the new data centre vertical.
  - Inclusion of targets linked to sustainability.
  - Obligation to retain shares received for two years from the first date of payment.
- *Malus* and clawback clauses that apply to any variable remuneration element.
- Severance pay and compensation for non-compete clauses: This is limited to 2 year's Fixed Remuneration + the STIP allocated over the last 12 months.
- Executive Directors must keep a number of shares equivalent to two years' Fixed Remuneration.
- Support from external advisers: The Board and the Appointments and Remuneration Committee take external advice to consider and interpret market remuneration information as a further element to be taken into account in the decision-making process on the design of the Remuneration Policy.

What we do not do:

- There are no guaranteed variable remunerations.
- Executive Directors do not participate in long-term savings systems such as pension plans, retirement systems and other pension systems.
- Non-executive do not participate in remuneration formulas or systems linked to the Company's results or to their individual performance. They do not participate in long-term savings or other social welfare systems.
- No loans or advances were granted.



4. REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

Fixed remuneration (RF) + Payment in kind	Short-Term Incentive Plan (STIP)	Short-Term Incentive Plan (LTIP)	Severance pay
Fixed remuneration: • CEO: €1,100,000. • COO: €1,100,000. Remuneration-in-kind: • €14,000 for each Executive Director.	Target STIP: • CEO: 150% of the FR. • COO: 112.5% of the FR. Maximum STIP (133% of target STIP): • CEO: 200% of the FR. • COO: 150% of the FR. Deferral of 50% of the STIP (1 year for 25% and 2 years for the remaining 25%).	LTIP target[1]: • CEO: 133.33% of the FR. • COO: 100% of the FR. Maximum LTIP (150% of target LTIP): • CEO: 200% of the FR. • COO: 150% of the FR. Term: • Three-year measurement period. • Obligation to retain shares received for 2 years from the first date of payment.	2 x (FR + STIP allocated during the previous 12 months). Post-contractual non-competition agreement included in compensation equivalent to six monthly payments of Fixed Remuneration. Particular terms and conditions of the STIP and LTIP.

[1] The target and maximum of the LTIP are calculated in annualised terms taking into account, for these purposes, the Plan Reference Value applicable to the instruments allocated to the CEO and COO in the 2025-27 Long-Term Incentive Plan ("2025-27 LTIP") submitted for approval by the General Meeting of Shareholders, as detailed in section 4.4, "Long-Term Incentive Plan (LTIP)".

The attached charts show the annual amounts each Executive Director may be paid for the remuneration elements that may be awarded to each of them in 2025, in accordance with this Remuneration Policy. Three different scenarios are offered depending on the payout percentage of the variable remuneration components, under the following assumptions:

Fixed:

- The short-term and long-term incentive plans are excluded. This scenario would occur if the minimum targets that these bonuses are linked to are not met.

Target:

- Includes Fixed Remuneration.
- For the STIP, a payment rate of 75% of the maximum amount (target level) is assumed, provided that the targets are met in accordance with the annual budget.
- In relation to the LTIP, a payment rate of 2/3 of the maximum LTIP (target level) is assumed.

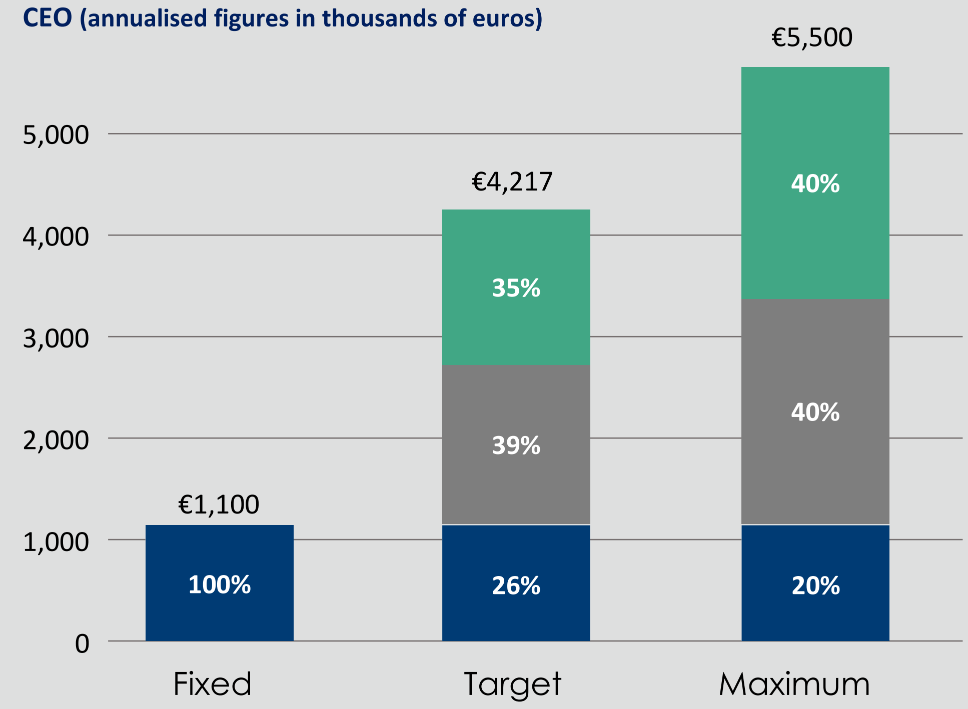
Maximum:

- Includes Fixed Remuneration.
- In relation to the STIP, a payment rate of 100% of the maximum amount is assumed in the case of over-achievement of the targets considered in the annual budget, reaching a maximum level.
- In relation to the LTIP, a payment rate of 100% of the maximum LTIP is assumed, if the targets are all met to the maximum.

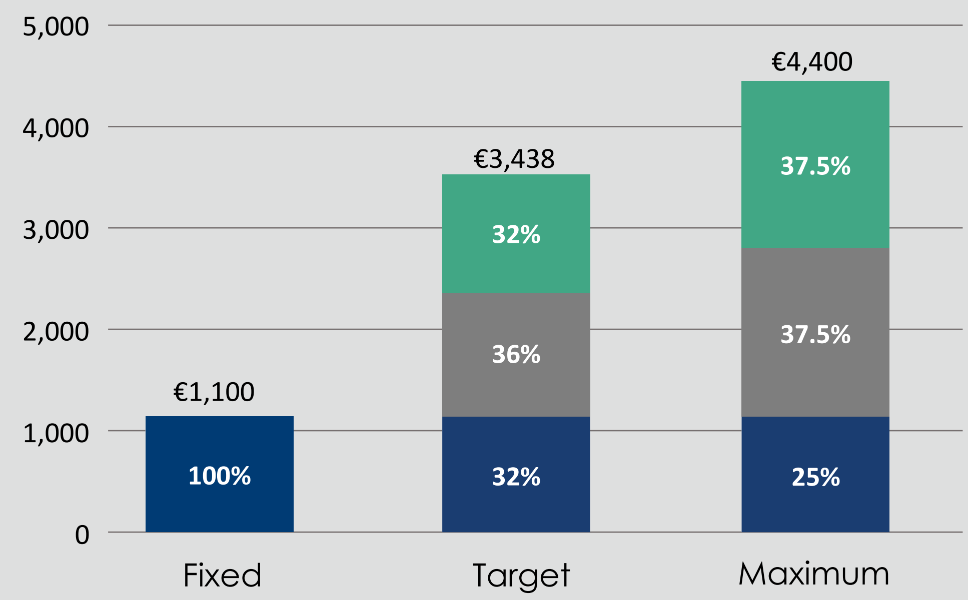
Notes common to all the scenarios:

- *The Fixed Remuneration has been considered without taking into account any possible remuneration in kind that may be received. However, that remuneration would be limited to EUR 14,000 for each Executive Director.*
- *The total STIP data are shown, subject to 50% of the STIP being deferred for 2 years.*
- *Potential changes in the MERLIN Properties share price during the target measurement period relative to the Reference Value that may increase or decrease the economic value of the LTIP ultimately received have not been taken into account for the purposes of the graph.*

CEO (annualised figures in thousands of euros)



COO (annualised figures in thousands of euros)



4.1 Fixed Remuneration

Purpose

Fixed remuneration seeks to attract and retain talent, rewarding the level of responsibility, professional consolidation in the position, and recognise the experience and relevance in the market.

Amount

The Fixed Remuneration of each Executive Director during the term of the Remuneration Policy will amount, on an annual basis, to one million one hundred thousand euros (EUR 1,100,000) gross.

Method

This remuneration is understood to refer to the full year, so that Executive Directors who leave at a date other than the beginning or end of the financial year will receive the amounts actually accrued, in proportion to the time they worked in the year in question. The Policy provides that this remuneration will not be updated while the Policy is in force unless extraordinary circumstances make it advisable to do so to attract or retain talent on the Board. In this case, the Appointments and Remuneration Committee would, following the relevant analyses or studies, propose to the Board, and if applicable the General Meeting, the modification it considers appropriate.

4.2 Remuneration In-kind

Purpose

To provide a competitive benefits package.

Amount

The cost of the insurance premiums for each of the Executive Directors will be a maximum of EUR 14,000 per year, which will be updated annually in accordance with the circumstances at the time and the current parameters customary for this type of insurance.

Method

The Company will take out (i) a policy for death and permanent disability in any of its degrees, the beneficiary of which will be the Executive Director and/or the persons designated by them in the case of death cover; and (ii) medical insurance, with global health cover from a top insurer, in which the Executive Director, together with their spouse and dependent children, will be included as beneficiaries.

4.3 Short-Term Incentive Plan (STIP)

Purpose

The STIP seeks to recognise the Directors' contribution to meeting the targets of the annual budget, and to motivating and guiding the work of the management team for the year.

Amount

The target amount of the STIP, provided that the established financial objectives are met in accordance with the annual budget, is as follows:

- CEO: 150% of annual Fixed Remuneration.
- COO: 112.5% of annual Fixed Remuneration.

In case of over-achievement of the aforementioned objectives, the maximum STIP amount may reach 133.3% of the target STIP:

- CEO: 200% of annual Fixed Remuneration.
- COO: 150% of annual Fixed Remuneration.

The Board will determine the amount to be received by each Executive Director, within the above maximum. In determining this amount, the Board will take into consideration, at the proposal of the Appointments and Remuneration Committee and in addition to the level of objectives achieved, the degree of difficulty in meeting them based on the market environment and circumstances.

Metrics

The STIP will be mostly linked to financial and value creation objectives. Non-financial objectives may be included, the relative weight of which must not exceed 20% of the maximum STIP.

Examples of financial targets

- "Funds for operations" ("FFO") budget objectives per share.
- Metrics linked to Profits (e.g., EBITDA, Profit before Tax or Net Profit).
- Metrics linked to the level of indebtedness (e.g. Net Debt / EBITDA or "Loan to Value".
- Level of income (gross or net) and other income.
- Level of asset investments and divestments.
- Data Centers Mw under construction, operation and/or leased.
- Dividends per share("DPS").
- Share performance during the year.

Examples of sustainability and non-financial objectives

- Positioning in sustainability indices.
- Neutralisation and/or reduction of CO2 emissions.
- Progress on initiatives with social impact.
- Performance evaluation of Executive Directors

The financial and non-financial objectives mentioned above represent a list of possible objectives to be taken into consideration for the duration of this Policy. Each year, the Company will select the appropriate targets and may include other indicators not included in the above list.

These targets may be measured on the basis of the perimeter of the entire MERLIN Properties group and/or a specific business unit. Some of the metrics may be measured relative to a comparator group of competing companies or perform similar activities or an index.

4.3 Short-Term Incentive Plan (STIP)

Method

At the beginning of the year, the Appointments and Remuneration Committee will select and propose to the Board those objectives and their weighting that it considers most appropriate for the current year based on the business challenges, on shareholder expectations, and on the historical data and earnings projections. Results of comparable companies may also be considered.

At the end of the financial year, after receiving the supporting documentation it deems appropriate to carry out its evaluation and proposal, the Appointments and Remuneration Committee will inform the Board of its assessment of the degree of achievement of the targets set for the year and will propose the STIP that the Executive Directors have earned, in accordance with the above rules, for approval, if appropriate, by the Board.

To make this assessment, the Appointments and Remuneration Committee will have the support of (i) the Audit and Control Committee, which provides information on the profits verified by the Company's external auditor and internal auditor; and (ii) the Sustainability and Innovation Committee, which will report on the degree of fulfilment of the targets related to ESG. Both in setting the targets and evaluating their achievement, the Appointments and Remuneration Committee will also consider any associated risks.

The Board may in turn approve or reject the proposal received from Appointments and Remuneration Committee. If this proposal is approved, the incentive will be paid as established in this section. If it is rejected, the Board will: (a) record the aspects that led to the rejection, to allow for the possibility of receiving a new proposal from Appointments and Remuneration Committee; or alternatively; (b) set the amount of the STIP itself.

Payment procedure

The STIP will be paid in cash, after the appropriate withholdings or payments on account of personal income tax, social security contributions, or similar or analogous taxes, as applicable in accordance with the following schedule:

Upfront STIP (50%)

Each executive Director will be paid 50% of any part of the STIP they have earned on the date the STIP is approved by the Board (the "Approval Date").

The Approval Date will normally coincide with the date of formulation of the annual accounts for the year to which the STIP relates.

The Upfront STIP will be paid out together with the amount of Fixed Remuneration to be paid in the calendar month following the Approval Date.

Deferred STIP (50%)

The remaining 50% of the STIP earned will be paid out according to the following schedule:

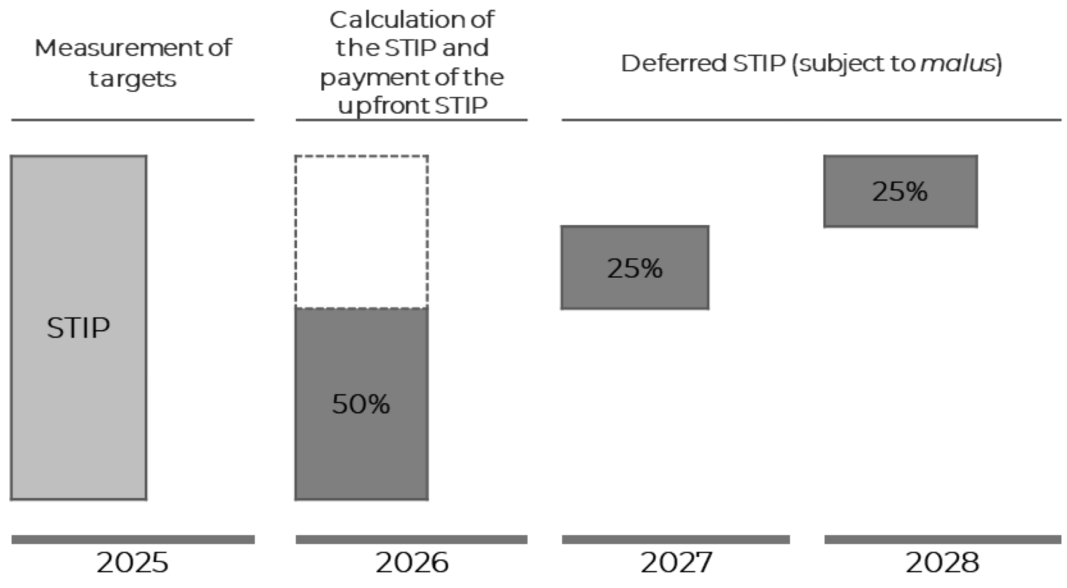
(a) each Executive Director will earn, and be paid 25% of the STIP corresponding to them, in cash on the date of the first anniversary of the STIP Approval Date;

(b) each Executive Director will earn, and be paid, the remaining 25% of the STIP corresponding to them, in cash on the date of the second anniversary of the STIP Approval Date;

To receive the amount of the Deferred STIP, the Executive Director must continue in office on the relevant accrual and payment dates, all on the terms set out in section 4.6 below.

Receipt of the STIP will not be automatic in any case, and it may not be consolidated into the Executive Director's fixed remuneration.

For illustrative purposes, the following illustration shows how the 2025 STIP would be paid out:



4.4 Long-Term Incentive Plan (LTIP)

Purpose

The LTIP seeks to recognise the contribution to strategic achievements of medium- and long-term targets, to motivate and guide the work of the management team over the medium term, and to align them with the interests of shareholders and other stakeholders.

Type of LTIP

The LTIP may be implemented through a multi-year cash remuneration, a performance share plan, a stock option or stock appreciation rights plan or a combination of the above.

For the 2025-27 period, a plan combining performance shares and stock options, the terms of which are detailed in the proposed resolution (the "2025-27 LTIP"), is submitted to the General Meeting for approval.

Amount

The annualised amount that the LTIP may reach if a target level is achieved, and without considering the potential change in the share price during the target measurement period, would be as follows:

- CEO: 133.33% of annual Fixed Remuneration.
- COO: 100% of annual Fixed Remuneration.

If the targets are over met, the maximum annual amount of the LTIP would be as follows:

- CEO: 200% of annual Fixed Remuneration.
- COO: 150% of annual Fixed Remuneration.

Where the LTIP pays out shares or other equity-linked instruments, the maximum value would be calculated on the basis of the reference prices used on the instruments' valuation date (the "Reference Value"). For example, in the 2025-27 LTIP to be submitted for approval at the Annual General Meeting, the Reference Value of the performance shares will be determined using the weighted average trading price of MERLIN Properties shares over the 30 trading days prior to 1 January 2025 (the "Plan Reference Value"). The same price has also been used to determine the price for exercising the stock options.

Metrics

The LTIP will be linked primarily to financial and value-creation objectives. Non-financial targets may be included, the relative weight of which must not exceed 20% of the maximum LTIP.

Examples of financial and value creation targets

- Total Shareholder Return (RTA).
- Evolution of asset values (e.g., Net Tangible Assets according to EPRA methodology).
- Level of income (gross or net) and other income.
- Total Shareholder Return (RTA).
- Financial metrics linked to revenues, profits, cash flows, dividends, etc.
- MW of Data Centers under construction, operation and/or leased.
- Level of asset investments and divestments.

Examples of non-financial targets

- Positioning in sustainability indexes.
- Neutralisation and/or reduction of CO2 emission.

The financial and non-financial objectives mentioned above represent a list of possible objectives to be taken into consideration for the duration of this Policy, and this does not imply that they will all be used.

These targets may be measured on the basis of the perimeter of the entire Merlin Group and/or a specific business unit. Some of the metrics may be measured relative to a comparator group of competing companies or perform similar activities or an index.

Functioning

The incentive will be approved, following a report from the Appointments and Remuneration Committee, by the Board, and must be approved, where applicable, at the General Shareholders Meeting.

The resolution of the General Meeting on the LTIP will contain: (i) the type of LTIP to be implemented; (ii) the measurement period, during which it will be verified whether the conditions for earning the LTIP have been met; (iii) the quantities, parameters or criteria to which earning the LTIP is linked; (iv) the method of calculation; (v) the date or dates of payment; (vi) the number of shares to be linked to the LTIP for Executive Directors; and (vii) any additional statements as may be legally required or as the Board may deem appropriate to submit to the General Meeting for the implementation of the LTIP.

The Appointments and Remuneration Committee monitors the targets annually, and once the measurement period has ended, the level of achievement will be determined. In this assessment work, the Appointments and Remuneration Committee will have the support of the Audit and Control Committee and the Sustainability and Innovation Committee. Both in setting the targets and evaluating their achievement, the Appointments and Remuneration Committee will also consider any associated risks.

When determining the level of achievement of targets, those economic effects, positive or negative, deriving from extraordinary events that could lead to distortions in the results of the assessment will be eliminated and the quality of the results will be considered in the long term in the LTIP proposal.

At the end of the measurement period, Appointments and Remuneration Committee will report to the Board on its assessment of the degree of achievement of the targets set for the year and make a proposal for the accrued LTIP. Once it has been reported, the LTIP proposal will be submitted for Board approval.

The Board may in turn approve or reject the proposal received from Appointments and Remuneration Committee. If this proposal is approved, the incentive will be paid as established in this section. If it is rejected, the Board will: (a) record the aspects that led to the rejection, to allow for the possibility of receiving a new proposal from Appointments and Remuneration Committee; or alternatively; (b) set the amount of the STIP itself.

Payment procedure

The LTIP may be paid out in cash and/or MERLIN Properties shares, at the discretion of MERLIN Properties. In the case of stock options, they will be settled by differences, unless the Board of Directors decide otherwise.

Directors must retain any shares they are paid for two years from the first date of payment, without prejudice to their obligation to hold the shares for the period specified in section 4.6 of this Policy.

The above will not apply to shares that the Executive Directors need to dispose of to meet the costs related to their acquisition or, following a favourable assessment by the Appointments and Remuneration Committee, to cover extraordinary situations that require it.

4.5 Severance pay

Termination benefits

As part of their regulation, and in addition to the above, the Contracts currently signed with the Executive Directors include severance pay in the event of termination of their relationship with the Company as a result of:

(i) the removal or dismissal of the Executive Director (from the position of Director or from the position of Executive Director) without cause. Cause will be considered to exist when their removal or termination was due to (a) a serious breach or failure to comply with their duties and obligations required by law; or (b) any act or omission that causes serious damage to the Company, and provided that, in both cases, the concurrence the cause has been declared by a competent court.

(ii) a resignation or voluntary departure by an Executive Director due to a substantial change in their working conditions making them clearly detrimental to their professional development, are in violation of their dignity, or were decided by the Company in serious breach of good faith. Conversely, the approval of future policies that are economically less favourable, that do not provide for variable remuneration similar to the STIP or LTIP, or future decisions by the Company not to approve long-term incentive plans similar to the LTIP will not be considered a substantial change for these purposes;

(iii) resignation or voluntary leave due to a change of control (where a change of control is understood in accordance with the regulations governing takeover bids), provided that the termination occurs within three months following the change of control.

Executive Directors would be entitled to receive compensation, provided that the payment does not compromise the Company's solvency:

(i) in cases (i) and (ii), an amount equal to the result of multiplying by two the Fixed Remuneration and the STIP granted to the Executive Director during the last twelve (12) months prior to termination; and

(ii) in case (iii), an amount equal to the sum of the Fixed Remuneration and the Executive STIP granted to the Executive Director during the last twelve (12) months prior to termination.

Of the above amounts, an amount equivalent to six (6) monthly payments of Fixed Remuneration will be paid as remuneration for the non-compete clause referred to in the following section.

This compensation will be paid in addition to the amounts derived from the STIP and/or LTIP and will be paid in cash, with the Company making the corresponding withholdings on account or payments on account of Personal Income Tax, Social Security contributions, or taxes of a similar or analogous nature that may be applicable.

Payment of the amounts accrued arising from or upon termination of the employment relationship, including variable remuneration, and those arising from the post-contractual non-compete agreements, will be made by the Company once it has been verified that the director has met the criteria or terms established for their payment.

Non-compete clause

All Executive Directors must sign a non-compete clause that will be binding on them for 6 months from the date of termination of their relationship as Director or Executive Director (a "Non-Compete Clause"), which will be remunerated with a gross amount equivalent to 6 months of annual Fixed Remuneration ("Non-Compete Remuneration"), the scope of which is specifically regulated in the Executive Director's contract.

The amounts of severance pay described in the preceding section will be deemed to include Non-Compete Remuneration. Therefore, the sum of the severance payment plus the Non-Compete Remuneration will not exceed, in any case, the two years of Fixed Remuneration and STIP granted in the last twelve (12) months prior to termination.

In all other cases, the Company will pay the Executive Director the Non-Compete Remuneration on a pro-rata basis during the months of the Non-Compete Clause.

Implications for the STIP and LTIP in force at the date of termination

Entitlement to, and payment of, the STIP will be subject to the following special rules. Any rights that Executive Directors may have in the STIP will be compatible with, and paid in addition to, the severance pay described above:

Termination at the Company's request and for cause	The Executive Director will not receive any amount of any Deferred STIP
Termination of the relationship at the Company's request without cause or in an improper manner	The Executive Director will be entitled to receive 100% of the Deferred STIP, as well as the proportional part of the STIP corresponding to the financial year in which the relationship was terminated (in the latter case, the percentage of the STIP due will be equal to the percentage of the STIP due in the last year). The amount of the Deferred STIP will be paid at the date of termination of the relationship. The STIP amount for the current year will be paid on the upfront STIP payment date.
Termination due to retirement, death or permanent disability	The Executive Director, or their successors in title, will be entitled to receive, in advance, 100% of the Deferred STIP pending payment, as well as the proportional part of the STIP due for the year of termination of the relationship with the Company (in the latter case, the percentage of the STIP payable to the Director will be equal to the percentage of the STIP payable in the last year, pro-rated for the time elapsed in the year in question). These amounts will be payable immediately upon termination of the relationship, except for the STIP amount for the current year, which will be paid on the upfront STIP payment date.
Termination of the relationship due to (i) voluntary leave; or (ii) resignation	The Executive Director will not receive any amount of any Deferred STIP pending vesting and/or payment at the date of termination.
Termination due to a change of control (either by decision of the Executive or at the Company's request)	The Executive Director will earn and receive, in advance, 100% of the Deferred STIP at the date of the Change of Control, as well as the proportional part (based on the months elapsed) of the STIP payable for the year in which the Change of Control occurred. In the latter case, the percentage of the STIP payable to the Director will be equal to the percentage of the STIP payable to them in the last year (proportional to the months elapsed). The Deferred STIP will be payable immediately upon the Change of Control along with the proportionate share of the STIP for the year in which the Change of Control occurred at the date of the preparation of the accounts for that year

In the case of LTIP, the special payment conditions linked to the triggering of the specific situations described above will be set out in the relevant LTIP Rules.

4.6 Other contractual terms

Variable remuneration reduction clauses (*malus*)

If, before the Executive Director is paid any vested amounts in respect of the STIP or the LTIP, the events or circumstances indicated above arise, the Board may, at the proposal of the Appointments and Remuneration Committee, reduce by the percentage it sees fit, or even cancel, the Executive Director's right to both the STIP and the LTIP.

The situations that may give rise to a reduction in or the loss of the right to receive the STIP or LTIP are as follows:

(i) Any event or circumstance that results in a material alteration or change in the financial statements, results, or economic or other figures on which the granted variable remuneration in question was based, such that the figures do not faithfully reflect the Company's position or performance, those of the Executive Director's area of responsibility or their actual performance, regardless of whether or not the Executive Director had any kind of liability for the events or circumstances.

(ii) A restatement of the financial statements of the Company or of other relevant companies in the Group that does not stem from a regulatory change or a revision of the accounting legislation and where it is so determined by the external auditors of the Company, and provided that the restatement results in variable remuneration to be settled that is lower than that initially accrued or no remuneration should have been paid in accordance with the Company's variable remuneration system.

(iii) Existence of alterations or inaccuracies in the business figures that were relevant for the purposes of the STIP or LTIP and are confirmed by the Company's external auditors.

(iv) Removal of the Executive Director for irregular conduct, fraud, gross breaches or violations of their obligations as a director or of their statutory obligations, where such conduct has been confirmed by a court ruling not open to appeal.

For these purposes, the Appointments and Remuneration Committee will compare the performance assessment performed for the Executive Director with the subsequent behaviour of some of the variables that contributed to achieving the objectives. *Malus* clauses will apply to any variable component of remuneration included in the Policy that has yet to be paid, and that relates to the year in which the event triggering the application of the clause arose, and will be in effect during the deferral period.

In any event, the variable remuneration will be paid or vested only if it is sustainable in accordance with the Company's overall financial position.

It will fall to the Board of the Company, following a report by the Appointments and Remuneration Committee, to determine whether the circumstances have arisen that trigger the application of the *malus* clauses to variable remuneration, in the cases that they affect and, if so, according to the degree of fulfilment of the conditions, the variable remuneration that should be reduced and the manner in which it should take place.

Variable remuneration clawback clauses

If during the two (2) years following the payment of the STIP or LTIP:

(a) the CNMV imposes a serious sanction on the Company for events related to an Executive Director's performance of their duties at the Company; or

(b) there is a material restatement of the financial statements of the Company or those of other relevant companies in its Group for a reason attributable to one or more Executive Directors or senior managers and unless the restatement is caused by a change to the applicable accounting standards; in these cases provided that they temporarily relate to one or more of the years taken into consideration to determine the STIP or LTIP; or

(c) the Executive Director is removed for irregular conduct, fraud, gross breaches or violations of their obligations as a director or of their statutory obligations, where such conduct has been confirmed by a court ruling not open to appeal;

MERLIN Properties may demand that the Executive Director in question return up to 100%, net of tax, of the amounts that Executive Director received under the STIP or LTIP. It will fall to the Board of the Company, following a report by the Appointments and Remuneration Committee, to determine whether the circumstances have arisen that trigger the application of the clawback clauses to variable remuneration, in the cases that they affect and, if so, the manner in which it should take place.

Minimum permanent shareholding requirement

Executive Directors must hold (directly or indirectly) a number of shares (including those paid as remuneration) equal to two years of their fixed remuneration, during the time they remain on the Board and perform executive duties.

To achieve this objective, the Executive Directors will have five years from the date they were appointed, unless the Board approves a longer period in the event of exceptional circumstances.

Until the number of shares subject to this commitment has been reached, the shares received by the Executive Director under the LTIP will be subject to a minimum holding period of 3 years, thus increasing the level of commitment of the Executive Director.

The above will not apply to shares that the Executive Directors need to dispose of to meet the costs related to their acquisition or, following a favourable assessment by the Appointments and Remuneration Committee, to cover extraordinary situations that require it.

Other contractual terms

Term: The contracts with Executive Directors are for an indefinite term.

Notice period: Each party must provide four (4) months notice before terminating the contract, except for directors who are removed or dismissed due to breach of their duties, due to any act or omission that causes damage to the Company, or due to the necessary conditions being met for the Company to be able to take action against the director for corporate liability. Failure to observe the notice requirement will give rise to the obligation to compensate the other party in an amount equal to the period of notice not observed, whereby the director authorises the Company to deduct any amount that may apply in this regard from the corresponding settlement of amounts.

5. REMUNERATION POLICY FOR EXTERNAL DIRECTORS

Remuneration structure for external directors (independent directors, shareholder-nominated directors or other external directors)

Under article 38 of the Articles of Association, directors who are considered to be external directors (independent, shareholder-nominated or other external directors) are entitled to receive remuneration (i) for their status as directors (and in their capacity as such) and (ii) for their membership on the committees of the Board.

The remuneration referred to in the preceding paragraph consists of a fixed sum and an attendance allowance. The maximum amount of the annual remuneration of directors, in their capacity as such and for their membership on committees, and both as a (i) fixed amount and (ii) attendance fees, is approved by the General Meeting and will remain in force until a modification is approved.

In this regard, the maximum amount that MERLIN Properties may pay to all its external directors (independent, shareholder-nominated or other external directors) for their status as such is maintained at two million six hundred thousand euros (EUR 2,600,000). This limit was approved by the General Meeting on 17 June 2020.

For 2025, the amounts that would apply in full for the full year are shown for information purposes:

	Chair	Director	Coordinating Independent Director
Board	Fixed allocation: €450,000.	Fixed allocation: €100,000. Per diem attendance fees: €2,000 / meeting.	Fixed allocation: €35,000.
Planning and Coordination Committee	Fixed allocation: €10,000.	Fixed allocation: €20,000.	--
Audit and Control Committee	Fixed allocation: €10,000.	Fixed allocation: €35,000.	--
Appointments and Remuneration Committee	Fixed allocation: €10,000.	Fixed allocation: €30,000.	--
Sustainability and Innovation Committee	Fixed allocation: €10,000.	Fixed allocation: €20,000.	--

Each amount in the above table compensates each office held by a director, which are added up according to the different offices held to form the director's total remuneration (office of director and, as appropriate, committee chairmanship or membership), except in the case of remuneration of the non-executive chair of the Board, where the chair's fees absorb all remuneration components for the duties performed (office of director, position as Chair of the Board, committee membership or chairmanship, as the case may be).

The amounts of remuneration for membership on boards, committees, commissions or chairmanships included above may be modified during the term of the Remuneration Policy, always respecting the maximum amount approved by the General Shareholders' Meeting to allow for a better distribution of remuneration in accordance with the dedication, effective workload and volume of activities assumed by the directors at any given time.

If a non-Executive Director is appointed, removed or tenders their resignation during the year, whether as director, chair of the Board, lead director, member of a committee or as committee chair, the amounts assigned in each case will be prorated according to the time that the director held the position(s) during the year.

Any director may, if they consider appropriate, waive all or part of their remuneration in favour of the Company.

All of the above sums will be paid in cash, after the appropriate withholdings or payments on account of personal income tax, social security contributions, or similar or analogous taxes, as applicable.

Moreover, the directors are included, as insured parties, on the third-party liability policy for directors and executives taken out by MERLIN, under normal market terms and conditions.

6. PROCESS FOR DETERMINING, REVIEWING AND IMPLEMENTING THE REMUNERATION POLICY

Company bodies involved

The remuneration structure for external directors (independent directors, shareholder-nominated directors or other external directors) would be as follows:

DETERMINATION AND REVIEW	Appointments and Remuneration Committee	Board	General Shareholders Meeting
Remuneration Policy	Make proposals to the Board regarding the Remuneration policy.	Approves the Remuneration Policy and submits it to a vote at the General Meeting.	Approves the Remuneration Policy at least every three years as a separate agenda item.
Remuneration of external directors	Proposes the Remuneration Policy to the Board.	Proposes the remuneration system at the Annual General Meeting along with the maximum amount of annual remuneration.	Approves the maximum amount of annual remuneration for external directors as a whole.
Remuneration Of Executive Directors	Proposes setting, modifying or updating the short-term and long-term remuneration systems.	Approves the fixed remuneration and the main terms and conditions for the short-term and long-term variable remuneration systems.	Approves the remuneration systems for the directors, which include the delivery of shares or share options, or remuneration tied to the share price.

APPLICATION	Appointments and Remuneration Committee	Other Committees	Board	General Shareholders Meeting
Remuneration of external directors	Within the annual ceiling approved by the Board, the Appointments and Remuneration Committee may propose to the Board certain changes in the amounts of fixed allocations and/or allowances.		Approves, where appropriate, the Appointments and Remuneration Committee's proposals regarding the remuneration items and their corresponding amounts.	Approves, in an advisory role, the Annual Director Remuneration Report, which includes details on the remuneration accrued during the year.
Remuneration Of Executive Directors	Assesses the degree of compliance with the criteria and objectives set for the Executive Directors in relation to the previous year. Proposes to the Board the individual remuneration (fixed, STIP and LTIP) of the Executive Directors in accordance with the terms of the Remuneration Policy. Verifies that the Remuneration Policy is properly applied and that no payments are made that are not included in the Policy.	Audit and Control Committee: Analyses the accounting aspects of the STIP and the LTIP. Sustainability and Innovation Committee: Reviews the sustainability metrics established in the STIP and LTIP.	Approves the individual remuneration for Executive Directors, within the limits established in the Remuneration Policy.	

Criteria used by the Appointments and Remuneration Committee in reviewing the Remuneration Policy

In the process of reviewing the Remuneration Policy, the main criterion followed by the Appointments and Remuneration Committee has been to ensure that the Directors' remuneration is aligned with short and long-term strategic priorities. In this regard, section 7 describes how the Remuneration Policy contributes to the business strategy and the long-term interests and sustainability of MERLIN Properties. Nevertheless, the Appointments and Remuneration Committee has also taken the following factors into consideration:

Regulation and good governance recommendations

The legislation applicable to listed companies have been considered, in particular the Corporate Enterprises Act. The alignment of the Remuneration Policy with the recommendations established in the Code of Good Governance for listed companies in Spain has also been verified.

Shareholders' opinions

It considers both the external environment in which the Company operates and the guidelines issued by organisations representing institutional shareholders. In particular, the Board considers feedback it receives from institutional investors and their proxy advisers in the consultation process that MERLIN Properties conducts from time to time.

Market terms

The remuneration of Executive Directors is compared with that of comparable profiles in similar companies. The remuneration of non-Executive Directors compares with that observed in the Ibex-35. The Executive Directors' remuneration is benchmarked against a group of European real estate companies.

Independent external advice

In determining, reviewing and implementing the Remuneration Policy, the Appointments and Remuneration Committee seeks independent advice and ensures that no Directors make decisions regarding their own remuneration. The external adviser may (i) analyse the remuneration package of the Directors compared to the market; (ii) provide support in the design of the remuneration package of the Executive Directors and in the development of the Remuneration Policy.

Employee remuneration and employment terms

The Appointments and Remuneration Committee proposes to the Board decisions on specific executive remuneration arrangements in the broader context of MERLIN Properties' employee remuneration.

MERLIN Properties offers a competitive and fair remuneration package that can be composed of fixed remuneration and short and long term incentive plans, as well as certain types of in-kind remuneration. In any case, the fixed remuneration should be sufficient, bearing in mind that, in certain circumstances, the incentive pay may be zero.

Within the concept of total remuneration, the LTIP plays an essential role in aligning employees' objectives with those of shareholders, fostering a sense of belonging, and encouraging a common culture with a focus on both short- and long-term results.

In this respect, the remuneration scheme for Executive Directors is similar to that of the rest of MERLIN Properties' employees. In particular, the metrics that determine the STIP and LTIP are similar.

On the other hand, the remuneration mix of Executive Directors is in line with that of the rest of the management team. In this sense, MERLIN Properties is a company that promotes meritocracy and equal opportunities. Therefore, a significant part of its total employee remuneration is variable in nature and is linked to achieving financial, business, value creation and sustainability objectives. These objectives are concrete, measurable and aligned with the Company's strategic priorities at all times.

Each year, the Board and the Appointments and Remuneration Committee are informed about the structure and amount of the remuneration structure for all employees. The Board, at the proposal of Appointments and Remuneration Committee, also considers the annual salary increase budgets for employees, as well as the remuneration of the management team.

7. CONSISTENCY WITH THE COMPANY'S STRATEGY, INTERESTS AND LONG-TERM SUSTAINABILITY

The Remuneration Policy has the following features to ensure consistency with MERLIN Properties' strategy, interests and long-term sustainability:

- Design of the remuneration policy consistent with the Company's strategy and aimed at achieving long-term results:
    a. The total remuneration of the Executive Directors consists of various elements of remuneration, basically consisting of: (i) Fixed Remuneration, (ii) STIP, and (iii) LTIP. For the Executive Directors, under normal conditions, the LTIP at the value it is granted has an annualised weight of 37.5% or more of the total remuneration in a scenario of meeting maximum targets (fixed + short-term variable + long-term variable).
    b. The LTIP is part of a multi-annual framework to ensure that the assessment process is based on long-term results and that it takes the Company's underlying economic cycle into account. In particular, the proposed 2025-27 LTIP would be granted in shares and/or instruments based on shares, so that the interests of management are aligned with those of shareholders.
    c. Under the LTIP 2025-27, Executive Directors must retain 100% of any shares they are paid for at least two years. Additionally, if an Executive Director is not complying with the commitment to permanent holding of shares, the retention period for any shares they receive arising from any variable remuneration element would increase to three years.
- Appropriate balance between fixed and variable components of remuneration: The Executive Directors have a fully flexible variable remuneration system, whereby they may not receive any amount in this regard if the minimum compliance thresholds are not reached. The short- and long-term variable remuneration percentage may be significant in case of maximum achievement of targets. In any case, this percentage with respect to total remuneration (considered for this purpose as Fixed Remuneration, STIP and LTIP at the value they are paid out) would not exceed 80%.
- Part of the STIP can be linked to progress on the Company's sustainability strategy, such as reducing CO_2 emissions.

The Remuneration Policy also has the following measures that enable reduction of exposure to excessive risks and align it with the Company's objectives, values and interests in the long term:

- The Appointments and Remuneration Committee supervises the review, analysis and application of the remuneration policy for MERLIN's executives whose activities may have a material impact on the organisation's risk profile.
- There are no guaranteed variable remunerations.
- Variable remuneration is only paid out after the date of authorisation for issue of the corresponding financial statements, after determining the degree of fulfilment of the targets. In relation to the financial targets, these are verified by the Company's external auditor.
- The Appointments and Remuneration Committee considers, as part of the process for assessing the STIP and LTIP, the long-term quality of the results and any associated risk.
- The 2025-27 LTIP has a three-year target measurement period and a two-year period that shares must be retained from the date they were first paid out.
- The Remuneration Policy details certain cases in which the Board, at the proposal of the Appointments and Remuneration Committee, may reduce the percentage it considers appropriate or even cancel the right to STIP or LTIP, during the deferral period, in application of the *malus* clauses.
- The Remuneration Policy also indicates that if, during the two years following the payment of the Executive Directors' STIP or LTIP, certain events or circumstances have taken place, MERLIN Properties may require the Executive Director in question to return up to 100% of the amount net of tax on the amounts they received under the STIP and LTIP.
- The Company's Audit and Control Committee participates in the decision-making process related to the STIP and the LTIP by verifying the economic, financial and non-financial data that may form part of the targets established in that remuneration.
- In relation to the measures necessary to avoid conflicts of interest by the directors, in line with the Corporate Enterprises Act, MERLIN Properties' Board Regulation includes a set of obligations deriving from their duties of loyalty and their duty to avoid conflicts of interest. On the other hand, the Appointments and Remuneration Committee Regulation stipulates that, when considered necessary or appropriate, expert advice may be obtained from a third party that could assist the Committee in relation to technical or particularly relevant aspects, although the Committee must take potential conflicts of interest existing into account when contracting them.

8. HIRING OF NEW EXECUTIVE DIRECTORS

The remuneration system and the basic contractual terms described in section 4 above will be reviewed if any new Executive Director joins the Board during the term of the Remuneration Policy.

In this regard, the Board will pass a resolution proposing a fixed annual remuneration appropriate to the characteristics that the new Executive Director must have, considering the competitive environment, and the corresponding proposals will be made regarding the other elements of the remuneration system set out in the Remuneration Policy, all within the limits established in this Remuneration Policy.

9. APPLICATION OF THE REMUNERATION POLICY

The prevailing legislation notwithstanding, the Appointments and Remuneration Committee may periodically review the general principles of the Remuneration Policy, as the body responsible for supervising its application, in accordance with the Regulations of the Appointments and Compensation Committee. To this end, the Appointments and Remuneration Committee will make or, where applicable, propose any amendments, adaptations, implementing rules or regulatory criteria that may apply.

10. TERM OF THE REMUNERATION POLICY

Without prejudice to the provisions of the Corporate Enterprises Act regarding director remuneration policies, the policies and procedures contained in this document will remain in force from the date of their approval by the General Shareholders' Meeting and for the following three financial years (2026, 2027 and 2028), unless section 529 *novodecies* (4) Corporate Enterprises Act applies prior to that date.