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Report on the activity of the Appointments and Compensation Committee of MERLIN Properties, SOCIMI, S.A. during the fiscal year ended December 31, 2024

1. Introduction

During fiscal year 2024, the functions performed by the Appointments Committee and by the Compensation Committee continued to be combined into a single committee, in accordance with what was decided at the start of fiscal year 2022. In this regard, although MERLIN Properties SOCIMI, S.A. (the "**Company**") is aware of the recommendation regarding the separation of the two committees, it has decided to continue to combine them because it suits the structure and number of the Company's commissions and committees. Moreover, the committee functions in a much more operational and coordinated way for all intents and purposes.

The organization and powers of the Company's current Appointments and Compensation Committee (the "**Committee**") are regulated in the Bylaws and in the Company's Appointments and Compensation Committee Regulations.

The main aspects of the Committee with reference to those regulations are basically as follows:

1.1. Composition

(i) The Committee:

(a) shall be made up of non-executive directors, in the number determined by the board, the majority of whom shall be independent directors, with a minimum of three (3) and a maximum of seven (7) members;

(b) shall have a chairman, who must be an independent director;

(c) shall appoint a secretary and may appoint a deputy secretary, neither of whom need be Committee members or directors; where no such appointments are made, the board secretary and deputy board secretary shall act as the Committee secretary and deputy secretary.

(ii) The renewal, reelection and removal of the directors forming the Committee shall be governed by what is agreed by the board;

(iii) The composition of the Committee at the date hereof is as follows:

MEMBER	POSITION	CATEGORY	DATE OF APPOINTMENT OR REELECTION
Ms. Inés Archer Toper	Chair	Independent	May 9, 2024
Ms. María Luisa Jordá Castro	Member	Independent	January 26, 2022
Ms. Julia Bayón Pedraza	Member	Nominee	May 9, 2024
Mr. Fernando Ortiz Vaamonde	Member	Independent	January 26, 2022
Ms. Pilar Cavero Mestre	Member	Independent	January 26, 2022
Mr. Juan María Aguirre Gonzalo,	Member	Independent	January 26, 2022
Mr. Donald Johnston	Member	Independent	January 26, 2022

The offices of all of the Committee members were ratified at the board meeting of May 9, 2024, which took place immediately after the shareholders' meeting held on the same date.

The Company's website contains information on the professional profile of each of the Committee members.

It should be noted that, up to May 9, 2024, the Committee was made up of 6 directors (the current members minus Ms. Julia Bayón Pedraza and Ms. Inés Archer Toper, plus Mr. Ignacio Gil-Casares Satrústegui), and was chaired up to that date by Ms. Mª Luisa Jordá Castro.

1.2. Operation

According to its regulations, the Committee:

(i) is called by its chairman, either at his/her own initiative, or at the request of the board chairman or of any Committee member;

(ii) meets at least on a quarterly basis, and when called by its chair, who must do so whenever the board or its chair requests the issuance of a report or the adoption of proposals and, in any event, when it is appropriate for the proper performance of its functions;

(iii) shall be deemed validly convened where the majority of its members are present, in person or by proxy; and

(iv) shall adopt its resolutions by a majority of the members present in person or by proxy and the chairman shall not have a casting vote.

1.3. Main duties

The Committee has the powers set out in article 6 of the Committee Regulations, which include duties in the areas of compensation, evaluation, recruitment, appointment, reelection and removal of directors (both with respect to offices on the board and on any board committee) and senior management personnel and in matters relating to the management, retention and promotion of talent, corporate governance, and the supervision of the financial and non-financial information of the Company referring to matters falling under the Committee's remit.

Within the broad scope of the powers and duties of this Committee, in fiscal year 2024 it specifically addressed the matters indicated in the following sections.

2. Meetings

During fiscal year 2024, the Committee met on ten (10) occasions (specifically, on February 8, February 23, March 22, May 6, May 16, June 20, September 18, October 14, November 15, and December 20). All Committee meetings were held in person or by audiovisual means. The Committee also met for internal work sessions on specific issues throughout the year, at times with external advisors present, without those being considered formal meetings.

All Committee meetings were attended by all of the Committee members (in person, by proxy or by audiovisual means), with the exception of Mr. Johnston who sent his apologies for the meeting of June 20, 2024 and Ms. Bayón who sent her apologies for the September 18 meeting.

With respect to these meetings:

(i) They were attended by the lead E&Y partner who led the team that prepared the report on the external assessment of the board, in accordance with the good corporate governance recommendations, in order to explain the main conclusions contained in same. She also gave an evaluation of the board's skills matrix of the board.

(ii) Mr. Miguel Ollero attended the meetings which addressed the degree of achievement of the metrics of the 2023 STIP and the 2022-2024 LTIP in fiscal year 2023; the proposed new metrics for the 2024 STIP and the proposed organizational chart.

(iii) They were attended by the chairman of the board of directors, as a guest, in order to gain an understanding of the general lines of the new policy and the new share-based long-term incentive plan.

(iv) They were attended by the WTW team leading the advisory process for the preparation of the new remuneration policy, the basic terms of the short- and long-term incentive for executive directors and the management team, the annual report on board remuneration and the matters to be considered in relation to the remuneration of non-executive directors.

3. Activities carried out by the Committee

At its meetings held in 2024, the most relevant activities carried out by the Committee, within the scope of its powers, were:

Regarding remuneration:

(i) to review and supervise the degree of fulfillment of the targets set for determination of the variable compensation in 2023 in order to propose the amount to be received by the beneficiaries to the board of directors, with special reference to the executive directors and management team;

(ii) to analyze, with support and advice from the sustainability managers at Merlin, the objectives to be included for determining the 2024 STIP, including the metrics referring to ESG, for the purposes of their application to the management team, including executive directors, as well as the guidelines regarding the volume, objectives, metrics and weightings of the short-term variable compensation of the rest of the workforce;

(iii) to review the degree of fulfillment of the objectives of the long-term incentive (2022-2024 LTIP) and review the list of beneficiaries;

(iv) to determine the objectives, parameters and reference thresholds for the short-term incentive (STIP) for fiscal year 2024 for both the executive directors and the management team;

(v) to supervise the 2023 IARC and report on it;

(vi) to make a proposal to the board to engage WTW to advise on the process for preparation of the new board remuneration policy for the period 2025-2028, the new long-term incentive plan for the period 2025-2027, and preparation and advice on the 2024 IARC;

(vii) to monitor with WTW the different proposals for the short- and long-term remuneration of the executive directors and the management team, evaluating the advisability of incorporating the data center business as a strategic element to be incentivized; and

(viii) to review the alignment with the market and best practices of the remuneration system for non-executive directors at Merlin.

Regarding governance:

(ix) to monitor the conclusions of the external assessment of the board, its positions and committees, as regards its performance in fiscal year 2023, and to discuss the proposed improvement measures and prepare a plan for their implementation and proposal to the board;

(x) to review the audit and control committee regulations, the sustainability and innovation committee regulations and the bylaws in order to report favorably on the elimination of the casting vote of the chairman on such committees;

(xi) to supervise and report on the 2023 Annual Corporate Governance Report, in relation to the aspects falling within its remit;

(xii) to revise the skills matrix of the board to evaluate including skills relating to ESG, as well as others related to technological skills;

(xiii) to review and supervise the Merlin organizational chart, assessing whether the coverage of positions of responsibility in the appropriate departments is adequate;

(xiv) to analyze and review the impact of Organic Law 2/2024, of August 1, 2024, on equal representation and a balanced presence of men and women; and

(xv) to continue to periodically use the questionnaire for directors to report lawsuits and other situations that could affect Merlin's reputation.

Regarding appointments:

(xvi) to analyze the composition of the board of directors and prepare proposals for the appointment or reelection of directors whose posts were expiring at the ordinary shareholders' meeting of 2024, drawing up the proposals and reports required for the purpose;

(xvii) to report on the proposal to replace a nominee director made by one of the significant shareholders, evaluating the impact of the inclusion thereof for the purposes of its consequences on the recommendation on gender diversity;

(xviii) to report on the selection process and proposed appointment of a female independent director which, together with the new female nominee director also appointed, has enabled an increase in the proportion of women on the board;

(xix) to report on the process for the appointment of the new chairman, following the resignation of the former chairman to enable him to dedicate more time to additional responsibilities outside Merlin;

(xx) to report on the composition of the board committees and on the chairmanship of same following the appointments to the board approved by the annual shareholders' meeting; and

(xxi) to promote the process for the selection of a new firm of experts to advise on the preparation of a new board remuneration policy and on a new incentive plan, selecting for such purpose the firm Willis Towers Watson.

Regarding other powers of the Committee:

(xxii) to support the process for preparation and approval of non-financial information, in the areas falling within its remit, taking into account that 2023 was the first fiscal year in which Merlin was required to prepare such information; and

(xxiii) to approve the Report on the Committee's activities in 2024.

(xxiv) to prepare the schedule and content of Committee meetings for the coming year.

4. Action plan for fiscal year 2025

The action plan of the Committee for fiscal year 2025 will center on continuing with the functions and powers specific to the Committee, regulated in the Committee Regulations, generally acting in coordination with the other corporate bodies and with the management team.

In light of the above, the Committee plans, as actions for 2024, to:

(i) to review the composition of the board and the plan to be followed in light of the expiry in June 2026 of the 12-year term of office of four directors who are committee chairs but could not be reelected as independent directors;

(ii) to promote with the executive directors, and in line with the Equality Law, a greater presence of women on the management team;

(iii) to support, promote and collaborate in the preparation of non-financial information or the 2024 non-financial information report on matters within the Committee's remit, in this second year of its preparation by the Company;

(iv) to review and report on the degree of achievement of the objectives established for 2024, referring to both the short-term variable compensation and, therefore, the resulting compensation;

(v) to review and report on the degree of achievement of the long-term objectives of the plan, through the delivery of shares, determining the volume of shares to be awarded;

(vi) to propose the objectives, metrics and weightings for the variable compensation for objectives achieved in fiscal year 2025 and applicable to executive directors and the management team; in particular, to analyze with the support of WTW the design of the long-term incentive plan linked to growth of the data center business as a strategic line that should drive the share price and profitability;

(vii) to supervise, along with the other committees affected, the governance measures that should be proposed according to the corporate structure of the different business lines to be developed, proposing remuneration systems that make it possible to maintain and retain the general talent of the Merlin team and compensate it in a way that incentivizes their dedication and effort, obtaining external support for this, where necessary.

(viii) to propose the board remuneration policy for the period 2025 and the following 3 fiscal years.

(ix) to propose guidelines, including the maximum amount, of the short-term variable compensation applicable to the rest of the workforce:

(x) to fulfill its duties in a timely manner, and report and make proposals on matters falling under its remit; and

(xi) to promote the coordination of the director training plan with the other board committees.

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