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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, 2025

1. Introduction

During fiscal year 2025, 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	TERMINATION DATE
Ms. Inés Archer Toper	Chair	Independent	May 9, 2024	N/A
Ms. María Luisa Jordá Castro	Member	Independent	N/A	April 30, 2025
Ms. Julia Bayón Pedraza	Member	Nominee	May 9, 2024	N/A
Mr. Fernando Ortiz Vaamonde	Member	Independent	January 26, 2022	N/A
Ms. Pilar Cavero Mestre	Member	Independent	April 27, 2023	N/A
Mr. Juan María Aguirre Gonzalo,	Member	Independent	April 27, 2023	N/A
Mr. Donald Johnston	Member	Independent	N/A	June 19, 2025

While the Committee was composed of seven (7) directors at the start of 2025, on April 30, 2025, following the resignation of Ms. María Luisa Jordá Castro from her position on the Committee, the number was reduced to six (6) directors by virtue of the resolution adopted by the Board of Directors on that date. Subsequently, on June 19, 2025, Mr. Donald Johnston also submitted his resignation as a member of the Committee. Accordingly, the Committee is currently composed of five (5) directors and has one vacancy.

The five (5) current members of the Committee were ratified in their positions at the Board meeting held on June 19, 2025.

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

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 2025 it specifically addressed the matters indicated in the following sections.

2. Meetings

During fiscal year 2025, the Committee met on eighteen (18) occasions (specifically, on January 9, January 15, January 22, January 30, February 10, February 13, February 19, February 24, March 23, March 26, March 28, April 30, May 9, May 28, June 13, July 24, November 13 and December 19). All Committee meetings were held in person or by audiovisual means, with the exception of the meetings held on March 28, 2025 and June 13, 2025, which were held in writing without holding a meeting. 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:

(i) Mr. Johnston, who sent his apologies for the meetings held on January 30, April 30 and May 9, granting a proxy for the meetings held on January 30 and April 30;

(ii) Ms. Bayón, who sent her apologies for the meeting held on July 24, adhering to the decisions made at that meeting; and

(iii) Ms. Jordá, who sent her apologies for the meeting held on February 24, adhering to the decisions made at that meeting.

With respect to these meetings:

(i) the chief executive officer, Mr. Ismael Clemente, attended meetings that addressed the review of the degree of achievement of the metrics of the 2024 Short-Term Incentive Plan (STIP) and of the 2022-2024 Long-Term Incentive Plan (LTIP), the comments by the management team to the proposed 2025-2027 LTIP and the proposed targets and scales of the 2025 STIP; and, together with him, Mr. Fernando Ramírez, Mr. Francisco Rivas, Ms. Marina Sanz and Ms. Inés Arellano also attended meetings in order to participate in certain items.

The Sustainability and Innovation Committee's assessment of the ESG targets was presented and explained, the 2024 fulfillment calculations were outlined, and technical suggestions regarding parameters and scales for 2025 and the 2025-2027 LTIP were conveyed.

(ii) 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 compensation policy, the new share-based long-term incentive plan and the framework for their implementation.

(iii) meetings called to report on and review compensation proposals prior to their submission to the Board of Directors were attended by certain non-executive directors, including Mr. Juan Antonio Alcaraz, Ms. Francisca Ortega, Mr. Emilio Novela and Ms. Ana García Fau, as guests; and

(iv) they were attended by the Willis Towers Watson (WTW) team leading the compensation advisory process in order to present the design alternatives for the new 2025-2027 long-term share-based incentive plan, to propose and calibrate the metrics and scales for the 2025 short-term incentive plan and to analyze the value of the share option and its accounting impact and coverage, and to assist in the preparation of the new compensation policy and the Annual Report on Directors' Compensation (IARC).

3. Activities carried out by the Committee

At its meetings held in 2025, the most relevant activities carried out by the Committee, within the scope of its powers, were:

Regarding compensation:

(i) to review the degree of fulfillment of 2024 STIP to determine the variable compensation for fiscal year 2024, 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 define the targets, parameters and thresholds for the 2025 STIP for the executive directors and management team, combining financial and non-financial targets and incorporating ESG metrics and metrics specific to the data center business;

(iii) to review the degree of fulfillment of the 2022-2024 LTIP and submit the proposal for its settlement, agreeing its execution with treasury shares and the individual confirmation of beneficiaries;

(iv) to design the new 2025-2027 LTIP, with advice from WTW, establishing its structure, targets and achievement scales, with a particular focus on alignment with shareholder value, integration of data center and ESG metrics, and maintenance of caps and cost safeguards;

(v) to supervise the 2024 IARC and report on it;

(vi) to propose adjustments to the compensation of the executive directors for 2025 to the Board of Directors, including the update of the fixed compensation and the caps on variable compensation in the short and long term, in accordance with market practices and the balance of the cycle's compensation package;

(vii) to monitor with WTW the different proposals for the short- and long-term compensation of the executive directors and the management team, weighing up requirements, retention and cost, and taking into consideration the strategic nature of the data center business;

(viii) to review the market alignment of the compensation system for non-executive directors and committee members, proposing selective adjustments to adequately reflect their dedication and responsibilities;

(ix) to propose and issue a favorable report on the 2025-2028 Board Compensation Policy as the reference framework for the cycle and its submission to the Shareholders' Meeting; and

(x) to establish the basic outline of the variable compensation for the rest of the workforce, maintaining the cap structure of the STIP and of the LTIP to ensure cost control, internal consistency and transparency.

Regarding governance:

(xi) to conclude the self-evaluation process of the Board, its positions and committees referring to 2024, and to discuss the proposed improvement measures and prepare a plan for their implementation and proposal to the Board;

(xii) to commence the self-evaluation process of the Board, its positions and committees referring to 2025, approving the forms and timetable;

(xiii) to supervise and report on the 2024 Annual Corporate Governance Report (IAGC), in relation to the aspects falling within its remit;

(xiv) to review and propose amendments to the Planning and Coordination Committee Regulations in order to reduce the number of committee members and make it possible for the lead independent director to be the committee chair;

(xv) to analyze and review the Regulations of the 2025-2027 LTIP to reduce references to the possibility of the Board unilaterally modifying their content;

(xvi) to ensure adequate information is provided to directors (executive and non-executive) on the new compensation framework and incentive plans, preserving the independence of the committee and the transparency of the process;

(xvii) to prepare and propose to the Board of Directors the approval of the new 2025-2028 Compensation Policy and the separate resolution to submit the 2025-2027 LTIP to the Shareholders' Meeting; and

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

Regarding appointments:

(xix) to analyze the composition of the Board of Directors and prepare proposals for appointment, reelection or ratification of directors for the 2025 Annual Shareholders' Meeting, drafting the required reports and proposals for such purpose, including the impact of the resignation of an independent director and the management of vacancies due to death;

(xx) to report on the proposal to replace a nominee director made by one of the significant shareholders, evaluating the suitability of the candidate, the supporting documentation and the effects on the composition of the Board of Directors and Board committees;

(xxi) to propose the reorganization of the Board committees following the unforeseen vacancies, including the appointment of new chairs and the adaptation of internal regulations and best practices; and

(xxii) to coordinate with the Board chairman the commencement of the process to analyze profile requirements and plan renewals for 2026 (expiry of the mandates of several independent directors), defining the timeline and criteria.

Regarding other powers of the Committee:

(xxiii) to report on the sections of the 2024 Non-Financial Information Statement (NFIS) falling within its remit;

(xxiv) to approve the Report on the Committee's activities in relation to 2025; and

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

4. Action plan for fiscal year 2026

The action plan of the Committee for fiscal year 2026 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 2026, to:

(i) to review the composition of the Board of Directors and the Board committees and complete the necessary selection and succession processes, particularly in the light of the expiry of the 12-year mandate of several independent directors in 2026 and the vacancies generated, ensuring adequate diversity, balance of profiles and continuity of chairs;

(ii) to foster, in line with equality legislation, a greater presence of women on the management team and on the leadership track, reinforcing diversity criteria in selection, promotion and succession processes;

(iii) to support, promote and collaborate in the preparation and reporting of the 2025 NFIS in relation to the matters falling within the committee's remit, coordinating with the other committees involved;

(iv) to review and report on the degree of fulfillment of the targets set for the 2025 STIP applicable to executive directors and the management team and, as the case may be, propose the resulting compensation;

(v) to review and report on the degree of fulfillment in 2025 of the targets set for the current LTIP, and to supervise its correct implementation;

(vi) to propose the targets, metrics and weightings of the 2026 STIP applicable to the executive directors and the management team, ensuring they are aligned with the budget and the strategy, including the development of the data center business;

(vii) to propose the outline, including the cap, of the short-term variable compensation applicable to the rest of the workforce in 2026;

(viii) to supervise, together with the other committees, the appropriate good governance measures to be proposed in light of the corporate structure, promoting compensation systems that make it possible to attract, retain and incentivize talent;

(ix) to promote the coordination of the Board training plan for 2026, with a particular focus on the data center business, sustainability, risk management and corporate governance; and

(x) to lead the annual self-evaluation process of the Board of Directors, its positions and committees referring to 2025, and propose the improvement measures to be implemented in 2026, duly fulfilling the Committee's duties and submitting the necessary reports and proposals to the Board of Directors.

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