



**ANNUAL DIRECTORS REMUNERATION REPORT FOR THE YEAR
ENDED 31 December 2024**

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LETTER FROM THE CHAIR OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

Dear Shareholders,

On behalf of the Appointments and Remuneration Committee (the "Committee", the "ARC" or the "Appointments and Remuneration Committee") and the board of directors (the "Board" or the "Board of Directors") of MERLIN Properties, SOCIMI, S.A. (also referred to as the "Company", the "Group" or "MERLIN"), I am pleased to present the Annual Directors Remuneration Report (the "Report" or "ADRR"), which will be put to the vote of the 2025 Annual General Shareholders Meeting in an advisory capacity.

In accordance with Spanish Law 5/2021, of 12 April, amending the consolidated text of the Corporate Enterprises Act, this Report forms part of the Company's Management Report and will remain accessible on the Company website and the Spanish National Securities Market Commission (CNMV) website for the legally established period.

This Report was prepared in a free-design format, in accordance with the regulatory provision contained in Circular 4/2013 (consolidated text), although its contents cover the minimum content established in the regulation. The main sections included in the Report are as follows:

1. Description of how the Remuneration Policy was applied in 2024.
2. Description of the Directors' Remuneration Policy ("2025-2028 the Remuneration Policy") applicable in 2025, subject to approval by the Annual General Shareholders Meeting in 2025.
3. Standard statistical schedule established in Circular 4/2013 on the results of the advisory vote of the last ADRR and the detail of the individual remuneration corresponding to each of the directors in 2024.

MERLIN Properties' profit/loss in 2024 and its reflection on the remuneration earned by the Executive Directors

Funds from operations ("FFO") in 2024 increased organically by 9.4%. The occupancy rate (96.7%) improved across all asset classes, with positive release spread and like-for-like rental growth in offices, logistics and shopping centers.

At the end of July 2024, MERLIN Properties executed a EUR 921 million capital increase to take advantage of development opportunities in data centers. The shares issued, subscribed by 82% of its shareholders, diluted the FFO and NTA per share by 16.7%, but the Company partially recovered this in 2024.

Three data centers are operational with the best technical specifications and one of them is fully leased from 1 January 2025. The licence and power for two more data centers have been obtained.

LTV stood at 28.3%. Both S&P and Moody's upgraded MERLIN Properties' credit rating due to its low debt and improved cash flow generation profile. The Company continues to execute the divestment plan but has not yet reached the target set for 2024 of over EUR 100 million.

MERLIN Properties shares outperformed the EPRA Europe benchmark index, which has seen a 6.5% decline, by +7.5% in 2024.

In view of the results achieved in 2024, the Board, at the proposal of the Appointments and Remuneration Committee, approved the short-term incentive payment (the "STIP") received by executive directors and the management team, for an amount equivalent to 83% of the maximum incentive. For executive directors and the management team, 50% of this amount will be paid in cash in 2025, while the vesting

and receipt of the remaining 50% will take place in halves on the first and second anniversary of the date of approval of the STIP.

The LTIP 2022-2024 approved by the Annual General Shareholders Meeting held on 4 May 2022, in which the Executive Directors participated, was finalised in 2024. The LTIP 2022-2024 was structured as a single cycle for the entire 2022-2024 period. While the non-financial targets linked to decarbonisation and environment and society have been met, the value creation and financial targets (absolute and relative Total Shareholder Return (TSR); EPRA NTA and Dividends, per share) have not reached the minimum threshold. Accordingly, the payout ratio amounted to 15% of the maximum number of shares initially granted. This payout percentage highlights the demanding level of achievement scales set by the Board of Directors, despite the fact that MERLIN has outperformed the FTSE EPRA Nareit Developed Europe Index in TSR by 58.39%.

Consultation process with our shareholders and the Remuneration Policy applicable in 2025

As mentioned above, the Board of Directors intends to submit a new 2025-2028 Remuneration Policy to the Annual General Shareholders Meeting in 2025. If approved, it will apply from the date on which the Annual General Shareholders Meeting is held. Up to that date, the existing policy, approved by the Annual General Shareholders Meeting on 4 May 2022¹ with 90.7% of votes in favour, will apply.

To propose this new 2025-2028 Remuneration Policy, the Appointments and Remuneration Committee has carried out a reflection process where factors such as alignment with the creation of shareholder value, strategic priorities in the short and long term (where new business verticals such as Data Centers stand out), as well as internal equity with the remuneration conditions of the management team and the employees as a whole have been considered. The Appointments and Remuneration Committee has also analysed market practices in comparable industries, relying on external advisers for this. In addition, recommendations and suggestions received in the Company's ongoing dialogue with institutional investors have been taken into account. Specifically, during 2024 and in 2025, as of the date of this report, MERLIN Properties has held 27 conferences, meeting with a total of approximately 792 investors. The Company has also taken into account the high levels of support received in the Annual Remuneration Reports submitted over the past three years.

The main changes proposed in the 2025-2028 Remuneration Policy for the financial year 2025 compared with 2024 are as follows:

- In relation to the Executive Directors:
 - Fixed Remuneration, which has remained unchanged since 2017, is increased by 10%. In proposing this change, the ARC has considered the increase in complexity and volume of MERLIN Properties' business with the development of the Data Centers business line. In addition, market benchmarks and the trend in the remuneration levels of the rest of the workforce have also been considered.
 - STIP: for 2025, the weighting of financial targets has increased from 70% to 80% and metrics associated with the achievement of the specific business plan of the Data Center vertical have been introduced, with a 20% weighting. Sustainability objectives, with a weight of 10% (vs 15% in 2024), focus on decarbonisation.
 - 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, the target (from 75% to 112.5% of fixed remuneration) and maximum amounts (from 100% to 150% of Fixed Remuneration) amounts have been adjusted.
 - 2025-2027 LTIP: The Plan will consist of a single cycle with a target measurement period of 3 years and will be implemented for Executive Directors through performance shares and stock options. The entire LTIP 2025-2027 will be subject to results and remaining in the Company. The target

¹ The Remuneration Policy is available at this link: <https://ir.merlinproperties.com/wp-content/uploads/2023/06/1.-MERLIN-Politica-de-Remuneraciones-de-los-Consejeros-2022-recib-WtW-300322.pdf>

and maximum incentive levels, as a percentage of fixed remuneration, at grant value, will be identical to those of the previous LTIP 2022-2024.

The targets to be included in the LTIP 2025-2027 include the Absolute Total Shareholder Return (TSR) over the 2025-2027 period. Other possible targets that could be included in the Plan are the EPRA NTA or certain indicators related to the data center business.

Details of this incentive plan will be included in the resolution proposed to the General Shareholders Meeting.

- 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 of the ARC and the Sustainability and Innovation Committee.

Finally, I would like to thank you on behalf of the Committee for taking the time to read this report, in the hope that it will be clear and comprehensible. MERLIN Properties is committed to listening carefully to its shareholders and applying best practices with regard to remuneration. We hope that you will continue to support us by voting in favour of this report.

Approved by the Board of Directors and signed on their behalf by



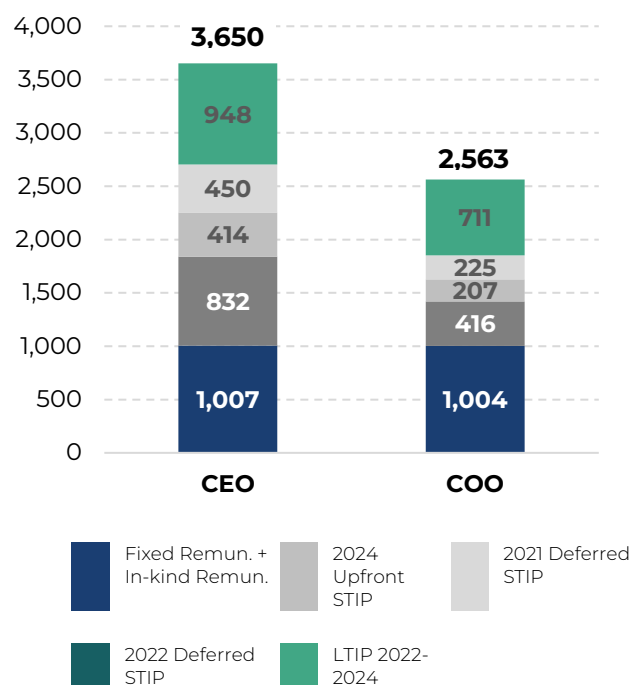
Signed: Ms. Inès Archer-Toper

Chair of the Appointments and Remuneration Committee.

1. SUMMARY OF EXECUTIVE DIRECTORS' REMUNERATION

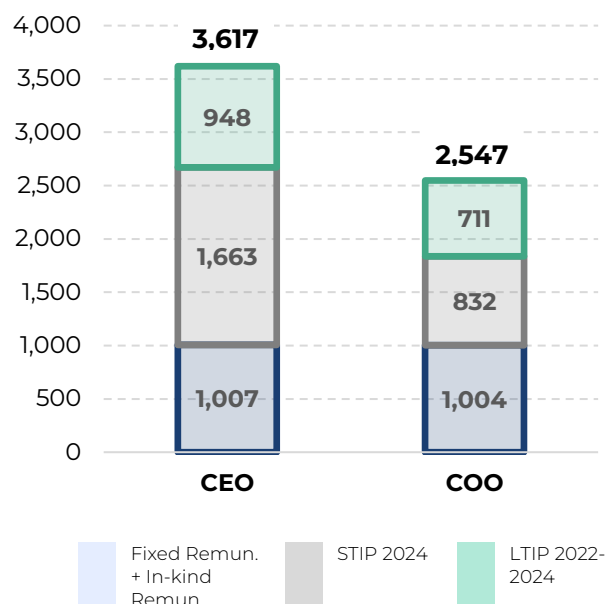
REMUNERATION OF EXECUTIVE DIRECTORS IN 2024

Remuneration accrued in 2024 (thousands of euros)



Remuneration accrued in accordance with the instructions established in Spanish National Securities Market Commission Circular 3/2021, of 28 September. This is the result of adding the Fixed Remuneration, Remuneration-in-kind, the 2024 Upfront STIP, 25% of the 2021 STIP and the 2022 STIP that were vested and paid in March 2024 (the second and first anniversary of the upfront payment of the respective STIPs). (EUR 6,213 thousand; CEO: EUR 3,650 thousand; COO: EUR 2,563 thousand)

Remuneration generated in 2024 (thousands of euros)



Remuneration generated in 2024, regardless of whether the payment of a portion may be deferred in future years, and which are not considered accrued for ADRR purposes. This is the result of adding the Fixed Remuneration, Remuneration-in-kind, the entire 2024 STIP and the LTIP 2022-2024 generated. (EUR 6,164 thousand; CEO: EUR 3,617 thousand; COO: EUR 2,547 thousand)

The remuneration generated in 2024 is in line with the profit obtained by MERLIN Properties in that year. Specifically, in relation to the 2024 STIP, the Company has reached the maximum level of compliance in the FFO per share targets and the leverage rate. The NOI + other income and PBT targets have been met without reaching the maximum threshold, and the divestment target did not reach the minimum threshold set by the Board of Directors. In turn, the Appointments and Remuneration Committee has positively assessed the fulfilment of the non-financial targets linked to ESG and the individual performance of the Executive Directors in 2024. As a result, the Board, at the proposal of the Appointments and Remuneration Committee, has approved the payment of a short-term incentive, equivalent to 83% of the maximum, to executive directors and the management team. The accrued amount of the LTIP 2022-2024 (15% of the maximum amount) is also included, taking into account that ESG-related targets have been met, without reaching the minimum thresholds of the TSR and EPRA NTA targets. For the valuation of the shares derived from the 2022-2024 LTIP, the closing price of MERLIN Properties shares on 31 December 2024 has been considered.

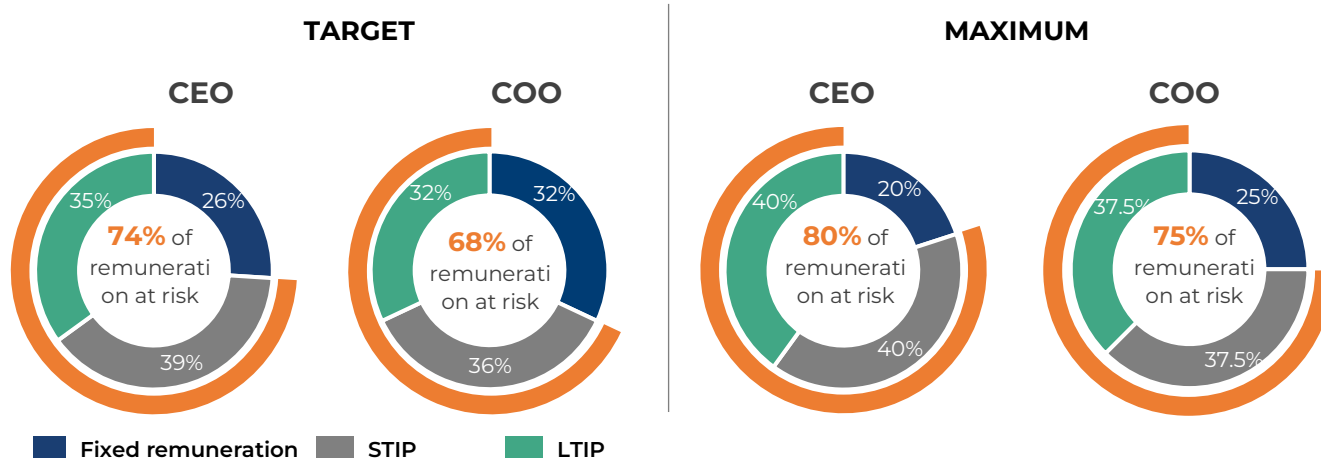
REMUNERATION PACKAGE FOR EXECUTIVE DIRECTORS IN 2025

Remuneration items

Fixed remuneration + Remuneration-in-kind	Short-term variable remuneration (STIP 2025)	Long-term variable remuneration (LTIP 2025-2027)	Termination benefits
Fixed remuneration: - CEO: EUR 1,100,000 - COO: EUR 1,100,000 Remuneration-in-kind - CEO < EUR 14,000 - COO < EUR 14,000	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.	Target annualised LTIP: - 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.	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.

* The grant value of the LTIP 2025-2027 is indicated, although it may be granted in shares and/or options.

REMUNERATION MIX



Notes on the charts:

- No Remuneration-in-kind was considered.
- Target STIP: 75% of the maximum STIP to be paid if the targets established in the 2025 annual budget are met, without prejudice to the fact that 50% of it is deferred over a period of two years.
- Maximum STIP: amount of STIP if maximum achievement of targets is reached, above the budget, without prejudice to 50% of this being deferred for a period of two years.
- Annualised target LTIP: 2/3 of the maximum LTIP to be paid if the targets set in the business plan established for 2025-2027 are met, taking into account the target grant value.
- Maximum annualised LTIP: Amount of the LTIP in the event that the maximum target is met, taking into account the maximum grant value.

The Executive Directors have a variable, flexible and progressive remuneration system, whereby they may not receive any amount in this regard if the minimum compliance thresholds are not reached.

Also, and in order to ensure that the remuneration of the Executive Directors is based on long-term results that take the Company's underlying economic cycle into account, the relative weight of the LTIP continues to be significant within the Executive Directors' remuneration package.

Main features of the 2025-2028 Remuneration Policy

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 the Company's sustainability strategy.
- Linking a high percentage of the remuneration to the Company's profits ("*pay for performance*").
- 2025 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 generated, where applicable.
 - Inclusion of targets linked to sustainability.
- 2025-2027 Long-Term Incentive Plan:
 - Incentive granted in performance shares and/or stock options.
 - The entire incentive is linked to performance.
 - Three-year target measurement period.
 - Linked mainly to metrics aligned with shareholder return. Possibility of including targets related to the new data center vertical and with initiatives linked to sustainability.
 - Retention obligation for shares delivered up to two years from the first date of payment.
- *Malus* and clawback clauses that apply to any variable remuneration element.
- Compensation for termination of contract and non-competition commitment: limited to two years of annual Fixed Remuneration + the STIP allocated over the previous 12 months.
- The Executive Directors must hold a number of shares equivalent to two years of their Fixed Remuneration. In addition, the Executive Directors hold shares whose value is much higher than these two annual payments.
- 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 designing the 2025-2028 Remuneration Policy.
- There are no guaranteed variable remunerations.

What we do not do:

- The Executive Directors do not currently participate in long-term savings systems such as pension plans, retirement systems or other pension systems.
- External Directors 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.

2. APPLICATION OF THE REMUNERATION POLICY IN 2024

2.1 REMUNERATION POLICY APPLICABLE IN 2024

Directors' remuneration in 2024 is in line with the remuneration policy approved by the shareholders at the General Meeting of 4 May 2022, in accordance with section 529 novodecies of the Spanish Corporate Enterprise Act. It was noted that there were no deviations from the procedure for application of the Remuneration Policy, and no temporary exceptions were applied to it.

In this regard, the remuneration accrued in 2024 by the Executive Directors and the directors, in their capacity as such, consisted of the items included in section 1 of this Report.

Furthermore, the detailed description of the directors' remuneration system in 2024 was included in section 2 of the ADRR for the year ended 31/12/2023. That report was approved by 86.1% of the votes cast. Therefore, and taking into account the degree of approval of this report, the Company considered it appropriate to prepare the Annual Directors Remuneration Report for 2024 in similar terms.

2.2 REMUNERATION OF EXECUTIVE DIRECTORS IN 2024

2.2.1 Fixed Remuneration

Each of the Executive Directors received EUR 1,000,000 in Fixed Remuneration. This amount was paid in full in cash and has not increased since 2017.

2.2.2 Remuneration-in-kind

According to the remuneration policy approved in 2022, the Executive Directors can be beneficiaries of:

- A policy for death and any degree of permanent disability, the beneficiary of which will be the Executive Director and/or the persons designated by the director in the case of coverage for death.
- A health insurance policy, with global health coverage with a leading company, under which the Executive Director, together with their spouse and dependent children, will be included as beneficiaries.

In 2024, the Company paid the premiums corresponding to the health and life insurance described above, which amounted to EUR 6,836 for the CEO and EUR 4,209 for the COO.

2.2.3 Short-term Variable Remuneration for 2024 (2024 STIP)

To determine the 2024 STIP, the Appointments and Remuneration Committee set the following targets and weightings:

METRICS	DEFINITION	WEIGHTING
FINANCIAL TARGETS		70%
FFO per share	Accounting FFO or accounting Funds From Operations is calculated as EBITDA less net finance costs and recurring taxes (excluding taxes on divestments and other extraordinary events). FFO per share is calculated by deducting the Company's non-overhead expenses from the FFO accounting, divided by the number of outstanding shares at the calculation date.	15%
Net operating income (NOI) + Other income	NOI is calculated as the amount resulting from deducting expenses for incentives and linearisation, including property expenses not passed on to tenants and non-collectable income, from gross income. Other income not resulting from gross revenue is also included.	15%

METRICS	DEFINITION	WEIGHTING
FINANCIAL TARGETS		70%
Adjusted pre-tax profit	Adjusted profit before taxes (without taking into account valuation impact of assets and derivatives).	10%
Net Debt/EBITDA	The Net Debt/EBITDA ratio is calculated as the net debt divided by EBITDA. Both measures are defined in the APM.	15%
Divestments	Level of the divestments made in accordance with the Company's asset rotation plan.	15%
NON-FINANCIAL TARGETS		30%
CO₂ emissions reduction	Reduction in emissions intensity in kg CO ₂ /m ² with respect to the previous year. The information used for this will be latest available on the date on which fulfilment of STIP targets is assessed.	7.5%
MERLIN Properties' scoring in Sustainability Indexes	Improve or maintain MERLIN Properties' scoring in absolute terms or its relative position as regards benchmark averages in seven Sustainability Indexes: GRESB, CDP, S&P CSA, Sustainalytics, ISS ESG, MSCI and Vigeo Eiris.	7.5%
Performance assessment	Individual performance of the Executive Directors in 2024.	15%
		100%

Throughout the year, the Appointments and Remuneration Committee has monitored these targets established for the 2024 STIP. The final assessment of the above targets was performed based on the verified profits for 2024, in accordance with the following process:

- Profit for 2024 and the degree of achievement of the financial targets were analysed by the Audit and Control Committee, based on the results verified by the external auditor.

Through those analyses, the Appointments and Remuneration Committee established a proposal for 2024 STIP and submitted it to the Board. The Committee also considered the long term quality of the results and any risk associated with the proposed variable remuneration.

- Finally, the Board approved the proposal of the 2024 STIP of the Appointments and Remuneration Committee. As a result of the above, and in accordance with Recommendation 59 of the Good Governance Code, the Board agreed to pay the following amounts to the Executive Directors in the first quarter of 2025, based on the following degree of achievement of the targets:

METRICS	Weighting	Reported result 2024	TARGET COMPLIANCE LEVEL				
			Below minimum	Between minimum and target	Target	Between target and maximum	Maximum
FFO per share	15%	EUR 0.55 p/y					✓
Net operating income (NOI) + Other income	15%	EUR 434 M				✓	
Adjusted pre-tax profit	10%	EUR 297 M				✓	
Net Debt/EBITDA	15%	9.2 x					✓
Divestments	15%	EUR 73 M	✓				

METRICS	Weighting	Reported result 2024	TARGET COMPLIANCE LEVEL				
			Below minimum	Between minimum and target	Target	Between target and maximum	Maximum
CO ₂ emissions reduction	7.5%						✓
MERLIN Properties' scoring in Sustainability Indexes	7.5%						✓
Performance assessment	15%						✓

The relationship between the level of compliance and the percentage of payment is shown in the table below:

Target compliance level	Below minimum	Between minimum and target	Target	Between target and maximum	Maximum
% of payment	0%	50% - 74%	75%	75% - 99%	100%

Thus, the financial targets, with a total weighting of 70%, have been partially met, with NOI + other income and PBT slightly below the set maximum. For the calculation of FFO, the Board of Directors, on the recommendation of the ARC, decided to adjust for the capital increase to calculate the degree of compliance. The FFO and debt targets had to be well above the budgeted figure to reach the maximum, as was the case. The only target that was not achieved was the divestment target, as the Board of Directors set a figure of over EUR 100 million. Accordingly, the weighted payment coefficient for these objectives is 53%.

The non-financial objectives, with a total weight of 30%, were 100% met, having achieved a reduction in CO₂ emissions, as detailed in the SNFI, as well as maintaining or improving the relative or absolute score in 5 of the 7 most relevant indices in the sector. In addition, the ARC considered that, in a sixth index, all *ex-ante* known criteria were met to maintain the score obtained in the previous year and it positively assessed MERLIN's inclusion as the first real estate company in the prestigious Dow Jones Sustainability World & Europe Index. With regard to the evaluation of the performance of the Executive Directors, the Board of Directors, at the proposal of the ARC, positively assessed the role played by the Executive Directors in the capital increase and the development of data centers, as well as the continuation of existing results in the ordinary business of the Company. As a result, the weighted payment ratio for non-financial objectives is 30%.

This degree of target achievement corresponds to an 83% weighted payout ratio against the maximum incentive, which amounted to EUR 2 million for the CEO and EUR 1 million for the COO. In view of the above, the allocated 2024 STIP amounts to EUR 1,663,000 for the CEO (166% of the fixed remuneration) and EUR 831,500 for the COO (83% of the fixed remuneration).

50% of the above amounts (Upfront STIP) will be paid together with the amount of the fixed remuneration, in the calendar month following the date of approval of the 2024 STIP (March 2025).

The remaining 50% of the 2024 STIP corresponding to the director (the "Deferred STIP") will be vested and received in accordance with the schedule indicated below, provided that the *malus* clauses described in section 2.3 are not applicable:

- the Executive Directors will vest the right to, and receive in cash, 25% of the 2024 STIP corresponding to them on the date of the first anniversary of the 2024 STIP approval date (March 2026);
- the Executive Directors will vest the right to and receive in cash the final 25% of the 2024 STIP corresponding to them on the date of the second anniversary of the 2024 STIP approval date (March 2027).

Deferred STIP will be paid in cash on the business day following the date of the respective anniversary of the STIP approval date (the "Deferred STIP Payment Date").

DIRECTOR	2025 INITIAL PAYMENT	DEFERRED PAYMENT (SUBJECT TO MALUS)	
		2026	2027
CEO	€831,500	€415,750	€415,750
COO	€415,750	€207,875	€207,875

In accordance with the ADRR compliance instructions recorded in the CNMV Circular 3/2021, the amount of the Upfront STIP, is indicated in the table of point C.1 of the Statistical Schedule accompanying this Report, without prejudice to the inclusion of the amount corresponding to the Deferred STIP in subsequent years, once it is verified that the *malus* clauses do not apply.

Accrual of deferred STIPs from previous years

Following the schedule detailed in the Annual Directors Remuneration Report for 2021 and 2022, the vesting and payment of 25% of the 2021 STIP and 25% of the 2022 STIP took place in March 2024, after verifying that the *malus* clauses described in section 2.3 below do not apply. The amounts were:

- 25% of the 2021 STIP: EUR 450,000 for the CEO and EUR 225,000 for the COO.
- 25% of the 2022 STIP: EUR 414,000 for the CEO and EUR 207,000 for the COO.

2.2.4 Long-Term Incentive Plan (LTIP 2022-2024)

The Annual General Shareholders Meeting held on 4 May 2022 approved the LTIP 2022-2024 with 92.67% of votes in favour; it was implemented through a single-cycle performance share plan with a 3-year target measurement period (2022, 2023 and 2024).

The LTIP 2022-2024 was aimed at members of the management team and other Company employees, including the Executive Directors. In the case of the latter, the maximum number of shares they could receive was 621,761 shares for the CEO and 466,321 shares for the COO.

The metrics and weightings set out in the LTIP 2022-2024 were as follows:

Metrics	Definition	Weighting
VALUE CREATION AND FINANCIAL TARGETS		85%
Absolute TSR adjusted for Relative TSR	Absolute Total Shareholder Return (TSR) is the return on the share taking the cumulative change in the quoted value of MERLIN Properties shares into account, including dividends and other similar concepts received by the shareholder in 2022-2024. Relative TSR measures the evolution of MERLIN Properties share TSR in the 2022-2024 period, in relation to the TSR experienced in the FTSE EPRA Nareit Developed Europe Index over the same period.	50%
EPRA NTA 31/12/2024 + Dividends (2022-2024) / Share	The EPRA NTA is calculated based on the Company's consolidated equity and by adjusting certain items following EPRA recommendations (including value of assets on the market and excluding certain items that are not expected to result in sustained property lease business). EPRA NTA assumes that the companies buy and sell assets, so crystallising certain levels of deferred tax liabilities. In addition, dividends paid and other similar items received by the shareholder during the target measurement period (2022, 2023 and 2024) are taken into account.	35%
NON-FINANCIAL TARGETS		15%
Net carbon emissions	Level of reduction of MERLIN Properties' CO2 emissions at 31 December 2024, compared to 31 December 2021, calculated for the comparable portfolio of assets over which the Company has operational control (scope of MERLIN Properties' pathway to net zero).	10%

Environment and society	Progress on the initiatives linked to improving the environment and society. The economic and social impact of MERLIN Properties' assets on local communities around those assets will be assessed in this regard.	5%
		100%

Each of these metrics had an achievement scale assigned that includes a minimum compliance threshold, below which no incentive is paid and whose compliance would entail the delivery of 50% of the theoretical shares assigned. If the above targets are met, 2/3 of the maximum theoretical shares will be received. If maximum targets are met, 100% of those shares will be delivered. In relation to the Absolute TSR target, the payment percentage resulting from applying its achievement scale is adjusted (upwards or downwards) by the Relative TSR. This adjustment range could be between 50% and 150%.

The Appointments and Remuneration Committee conducted annual monitoring of the targets, and once the measurement period has ended, the level of achievement of each of them was determined. In this assessment work, the Appointments and Remuneration Committee had the support of the Audit and Control Committee and the Sustainability and Innovation Committee.

A summary of the evaluation is detailed below:

Metrics	Result	Payout ratio (% of maximum)	Weighted payout ratio (% of maximum)
Absolute TSR Relative TSR	TSR for the period 2022-2024 (share performance and dividends distributed) amounted to 30.6%, below the minimum threshold set in the achievement scale. Although MERLIN Properties' TSR was 58.4% higher than that of the FTSE EPRA Nareit Developed Europe Index over the same period, no adjustment is made to the payout ratio as the Absolute TSR did not reach the minimum threshold.	0%	0%
EPRA NTA 31/12/2024 + Dividends (2022- 2024) / Share	The EPRA NTA at 31/12/24 plus dividends paid during the years 2022, 2023 and 2024, per share, amounted to EUR 16.38, without reaching the minimum threshold set in the achievement scale.	0%	0%
Net carbon emissions	MERLIN Properties reduced CO2 emissions by 16.3% at 31 December 2024, compared with 31 December 2021, calculated for the comparable portfolio of assets over which the Company has operational control.	100%	10%
Environment and society	LBG (London Benchmark Group) validated the calculation methodology by which MERLIN Properties has increased its contribution to local communities by 1,157% over the three years of measurement.	100%	5%
		15%	15%

Taking into account that the payout ratio (over the maximum level) is 15%, the number of gross shares to be delivered to the Executive Directors is:

- CEO: 93,264 shares.
- COO: 69,948 shares.

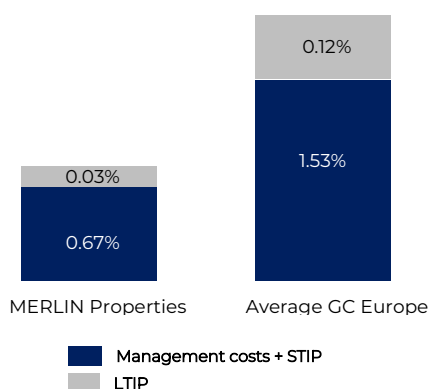
Shares net of tax received by Executive Directors will be subject to a retention period of two years from the date of payment in March. The economic value of the shares at year-end 2024 is EUR 1,658 thousand (CEO: EUR 948 thousand; COO: EUR 711 thousand).

2.2.5 Other relevant information

- The Executive Directors did not receive any remuneration other than those described in section 3.2 of this Report.
- No *malus* or clawback clauses were activated in 2024.

- In 2024, Executive Directors did not receive any of the potential payments that they could have received in cases of removal or resignation, as described in section 2.4, of this ADRR, as no Executive Directors were removed or resigned.
- The contractual terms established with the Executive Directors for 2024 are those described in the heading on Contractual terms in section 2.5 of this Report. No compensation has been paid in the form of advances, loans, or guarantees.

MERLIN Properties continues to be one of the most efficient REITs in Europe, in terms of the ratio of total structuring expenses on EPRA NTA, as shown in the following chart:

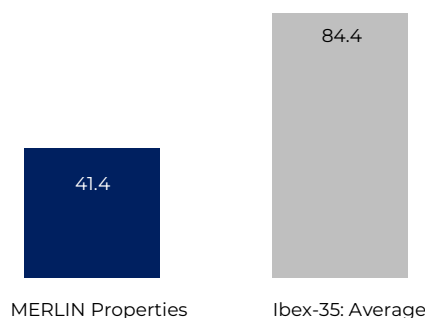


Source: prepared internally by MERLIN Properties. MERLIN Properties' data refer to 2024 while REITs data refer to 2023.

- Europe REITs performance benchmarking ("GC Europa"), consisting of Altarea, Covivio, Derwent London, Gecina, Inmobiliaria Colonial, Klepierre, Land Securities, LondonMetric Property, SEGRO, The British Land, Unibail-Rodamco-Westfield and Vonovia.

The difference in total remuneration generated in 2024 between the Company's chief executive officer and the average remuneration of MERLIN Properties' workforce is well below the IBEX-35 average:

Remuneration ratio: Chief Executives vs average remuneration of the workforce



Source: Annual Directors Remuneration Reports published at the date of this report.

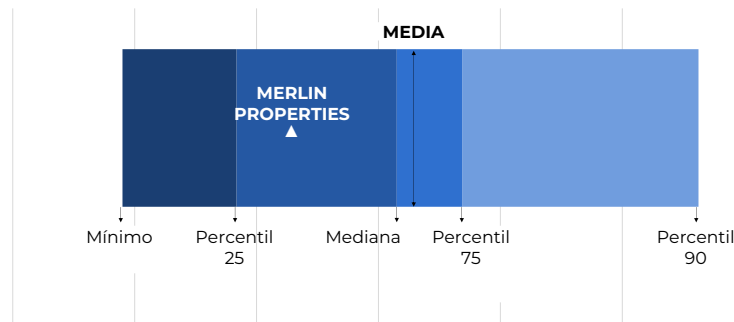
Both MERLIN Properties and the IBEX-35 average show the relationship between the total remuneration earned by the CEO and the average total annual remuneration of the entire workforce. This data relates to that included in the table in section C.2. of Statistical Schedule III of the Annual Directors' Remuneration Report for listed public limited liability companies (CNMV Circular 3/2021, of 28 September).

2.3 EXTERNAL DIRECTORS

Remuneration of External Directors in 2024 was adjusted to the amounts established in the Remuneration Policies applicable in the year.

The range of remuneration observed in the IBEX 35 for the position of non-executive chair and the relative positioning of the remuneration established in MERLIN Properties' Remuneration Policy approved in 2022 are shown below.

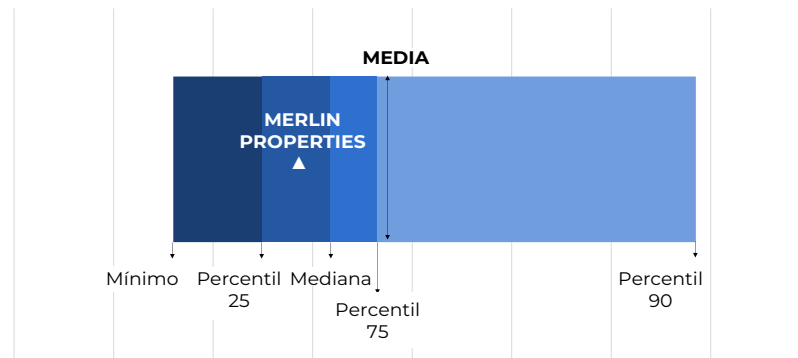
Remuneration of non-executive chair in the IBEX 35



* Arcelormittal was excluded from the calculation, as its Board of Directors is located outside Spain.

In the case of External Directors, their average remuneration is in reasonable terms and in accordance with the Company's size, since it is in the 25th percentile of the market. The range of remuneration observed in the IBEX 35 for the profile of an external director, member of a commission, and the relative positioning of the remuneration established in MERLIN Properties' Remuneration Policy approved in 2022 are shown below.

Remuneration of External Directors in IBEX-35



* Includes the remuneration that a director could receive for membership on the Board, the Delegate Committee (does not exist at MERLIN Properties) and one of the other Advisory Committees of the Board (Audit, Appointments, Remuneration or others that may be formed).

The table below summarises the amounts earned (in thousands of euros) by the External Directors in 2024:

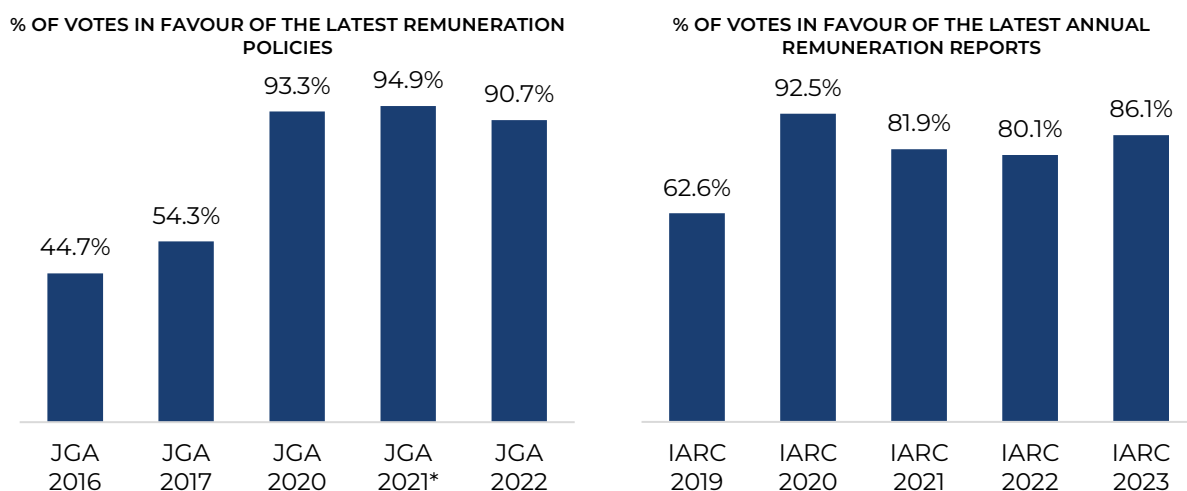
Amounts in thousands of euros	BOARD OF DIRECTORS			PLANNING AND COORDINATION COMMITTEE	AUDIT AND CONTROL COMMITTEE	APPOINTMENTS AND REMUNERATION COMMITTEE	SUSTAINABILITY AND INNOVATION COMMITTEE	TOTAL
NAME	FIXED REMUNERATION	PER DIEM ATTENDANCE FEES		FIXED REMUNERATION	FIXED REMUNERATION	FIXED REMUNERATION	FIXED REMUNERATION	
		MEETINGS	AMOUNT					
Javier Garcia-Carranza Benjumea	170	-	-	-	-	-	-	170
José Luis de Mora Gil-Gallardo	280	-	-	-	-	-	-	280
Juan María Aguirre Gonzalo	100	14	28	-	35	20	-	183
Juan Antonio Alcaraz	100	14	28	20	-	-	-	148
Julia Bayón Pedraza	64	10	20	-	-	13	-	97
Pilar Caveró Mestre	100	14	28	-	-	20	10	158
Ana García Fau	100	13	26	30	35	-	20	211
Ignacio Gil-Casares Satrustegui	36	4	8	-	-	7	-	51
Donald Johnston	100	12	24	-	45	20	-	189
Ms. María Luisa Jordá Castro	100	12	24	-	35	24	-	183
Emilio Novela Berlín	135	14	28	20	-	-	10	193
Ms. Francisca Ortega Hernández-Agero	100	13	26	-	35	-	10	171
Fernando Ortiz Vaamonde	100	14	28	-	-	20	-	148
Inès Archer-Toper	64	10	20	-	-	19	-	103
TOTAL	1,549		288	70	185	143	50	2,285

3. DIRECTORS' REMUNERATION IN 2025

3.1 REMUNERATION POLICY APPLICABLE IN 2025

The Board of Directors intends to submit a new remuneration policy for the 2025-2028 period ("2025-2028 Remuneration Policy") to the Annual General Shareholders Meeting in 2025. If approved, it will apply from the date on which the Annual General Shareholders Meeting is held.

This new 2025-2028 Remuneration Policy will maintain the essential lines applied in our existing policy approved by the Annual General Shareholders Meeting of 4 May 2022² with 90.7% of votes in favour. The Company has also taken into account the levels of support received in the Annual Remuneration Reports submitted over the past three years.



* The Remuneration Policy approved by the shareholders at the General Meeting held on 17 June 2020 was later amended by the shareholders at the General Meeting held on 27 April 2021, with 94.9% of votes in favour.

In line with previous years, in 2024 MERLIN Properties continues to hold an ongoing dialogue with institutional investors. A total of 27 conferences were held, meeting with a total of approximately 792 investors.

In particular, the reasons and basic principles of the voting results obtained at the 2024 General Meeting on remuneration resolutions were analysed.

3.2 REMUNERATION ITEMS OF EXECUTIVE DIRECTORS IN 2025

3.2.1 Fixed Remuneration

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.

The amount of the annual fixed remuneration in 2025 will be EUR 1,100,000 for each of the Executive Directors (10% increase over the previous year). This amount is paid in full in cash and covers any remuneration corresponding to expenses for belonging to and attending the Board and the Planning and Coordination Committee, in the case of the CEO.

This Fixed Remuneration represents a 10% increase over the previous year. On an annualized basis, this increase is 1.2% since the last increase implemented in 2017.

² The remuneration policy approved in 2022 is available at this link: <https://ir.merlinproperties.com/wp-content/uploads/2023/06/1.-MERLIN-Politica-de-Remuneraciones-de-los-Consejeros-2022-recib-WtW-300322.pdf>

In determining this increase, the ARC carried out an in-depth analysis of all the components included in the Executive Directors' remuneration package. Among other issues the ARC has considered the following factors:

- The importance of retaining and motivating the Executive Directors in view of the increase in the complexity and volume of the Company's business, following the €921 million capital increase in July 2024 in order to develop the data center business line. The next three years are critical for the Company in order to be able to execute the planned investments, have the MW available for rental and achieve a certain level of gross rents by the end of 2027. All of the above is in addition to the need to continue managing MERLIN Properties' traditional businesses (offices, logistics and shopping centers).
- Trend in salary increases applied to the management team and the rest of the workforce since 2017.
- Maintenance of the pay for performance principle, which is reflected in the high percentage of Executive Directors' remuneration linked to the STIP and the LTIP.
- Relative position of the Executive Directors' remuneration package with respect to the entities included in the comparison group determined by the ARC for remuneration purposes.

3.2.2 Remuneration-in-kind

In accordance with the Policy, executive directors may be beneficiaries of:

- A policy for death and any degree of permanent disability, the beneficiary of which will be the Executive Director and/or the persons designated by the director in the case of coverage for death.
- A health insurance policy, with global health coverage with a leading company, under which the Executive Director, together with their spouse and dependent children, will be included as beneficiaries.

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

The directors form part, as insureds, of the third-party liability policy for directors and executives taken out by MERLIN Properties, under normal market terms and conditions.

3.2.3 Short-term Variable Remuneration for 2025 (2025 STIP)

Purpose

STIP seeks to recognise the contribution to the achievement of targets within the annual budget, and to motivate and guide the work of the management team for the year.

Target amount

The target amount of the Executive Directors' 2025 STIP, if the targets set in the annual budget are met, is as follows:

- CEO: 150% of Fixed Remuneration (EUR 1,650,000).
- COO: 112.5% of Fixed Remuneration (EUR 1,237,500).

Maximum amount

The maximum amount of the 2025 STIP for Executive Directors, on condition that a maximum level of compliance with targets above the budget is reached, is as follows:

- CEO: 200% of Fixed Remuneration (EUR 2,200,000).
- COO: 150% of Fixed Remuneration (EUR 1,650,000).

Metrics

To determine the 2025 STIP, the Appointments and Remuneration Committee has set the targets and weightings indicated below:

METRICS	DEFINITION	WEIGHTING
FINANCIAL TARGETS		80%
Net operating income (NOI) + Other income	NOI is calculated as the amount resulting from deducting expenses for incentives and linearisation, including property expenses not passed on to tenants and non-collectable income, from gross income. Other income not resulting from gross revenue is also included.	15%
Pre-tax accounting profit	Pre-tax accounting profit (without taking into account valuation impact of assets and derivatives).	15%
Net Debt/accounting EBITDA	The Net Debt/accounting EBITDA ratio is calculated as the net debt divided by the accounting EBITDA. Both measures are defined in the APM.	15%
Divestments	Level of the divestments made in accordance with the Company's asset rotation plan.	15%
MW available for rent	MW from <i>data centers</i> that have received the corresponding licences and electricity supply, which are leased or available for lease.	10%
Gross Rental Income (GRI) from the Data Center business	Gross Rents from the data center business.	10%
NON-FINANCIAL TARGETS		20%
Reduction in CO2 emissions:	Reduction in emissions intensity kgCO ₂ /m ² with respect to the previous year calculated for the comparable portfolio of assets over which the Company has operational control (MERLIN Properties' net-to-zero pathway). The information used for this will be latest available on the date on which fulfilment of 2025 STIP targets is assessed.	10%
Performance assessment	Individual performance of the Executive Directors in 2025.	10%
		100%

Scales of achievement and evaluation of targets

Each metric has achievement thresholds and payment scales based on the difficulty of achievement and its criticality for the Company's plans in 2025. If the minimum threshold established is not reached, the portion of the 2025 STIP linked to the corresponding metric will be zero. If the targets established in the Company's budget for 2025 are met, the target STIP will be paid out and, in the case of maximum achievement of targets, 100% of the maximum STIP associated with each target will be paid out. In any case, the maximum STIP will not exceed 133.33% of the target STIP.

In this assessment function, 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 initiatives supervised by that Committee. Both in setting the targets and evaluating their achievement, the Committee also considers any associated risk.

When determining the amount of the 2025 STIP of each executive director, the Board of Directors will take into account, in addition to the fulfilment of targets, proportionality criteria, quality of talent management

and retention, and the application of fair and competitive remuneration, comparable to market standards and at the proposal of the ARC it may assess the level of achievement based on current circumstances.

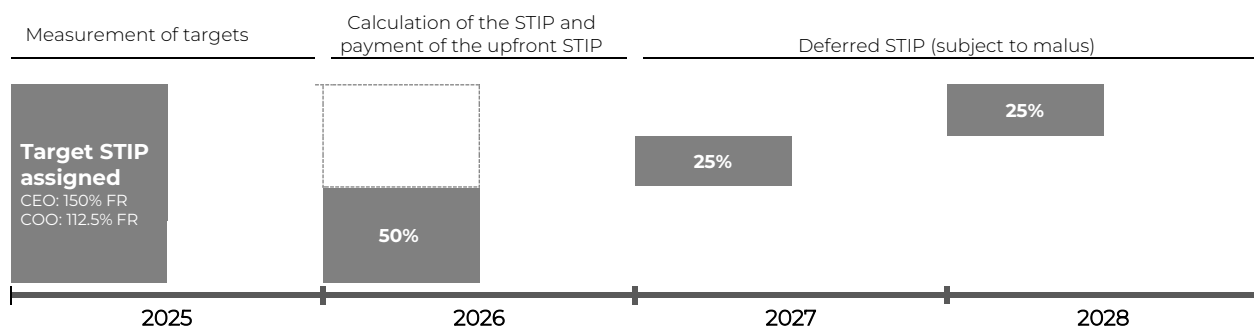
2025 STIP generation and payment schedule

Once the degree of achievement of the targets and final amount to be reached by the 2025 STIP, the generation of the right to this remuneration item and its payment are finally determined, unless there are exceptional circumstances regulated in the Policy, the following rules will apply:

- (i) Executive Directors will vest and receive 50% of the STIP corresponding to them (the "Upfront STIP") in cash, on the date that the amount of the STIP (and its distribution) are approved by the Board of Directors (the "STIP Approval Date"). The incentive will be paid together with the amount of the fixed remuneration paid in the calendar month following that of the STIP approval date ("Upfront STIP Payment Date"). Under normal circumstances, the STIP approval date will coincide with the date of authorisation for issue of the financial statements for 2025 (i.e., in the first quarter of 2026).
- (ii) The remaining 50% of the STIP corresponding to the director (the "Deferred STIP") will be vested and received in accordance with the schedule indicated below, provided that the *malus* clauses described in section 2.3 are not applicable:
 - a) the Executive Directors will vest the right to and will receive in cash 25% of the STIP corresponding to them on the date of the first anniversary of the STIP Approval Date;
 - b) the Executive Directors will vest the right to and will receive in cash the final 25% of the STIP corresponding to them on the date of the second anniversary of the STIP Approval Date;

Deferred STIP will be paid in cash on the business day following the date of the respective anniversary of the STIP approval date (the "Deferred STIP Payment Date").

2025 STIP schedule (assuming compliance with 100% targets):



To receive the amount of the corresponding Deferred STIP, the Executive Director must remain in office on the corresponding vesting and payment date.

This mechanism of deferring payment of the incentive makes alignment with Recommendation 59 of the Good Governance Code possible, as the deferral established ensures that the previously set performance or other conditions have been effectively met, by means of the *malus* and clawback clauses described in section 2.3.

3.2.4 Long-Term Incentive Plan 2025-2027 (LTIP 2025-2027)

Purpose

The LTIP 2025-2027 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.

Description of the LTIP

At the next Annual General Meeting, the Board of Directors (upon proposal of the Appointments and Remuneration Committee) will submit for approval a Long-Term Incentive Plan (the LTIP 2025-2027). This single-cycle Plan will be aimed at Executive Directors, members of the management team and other employees of the Company (the beneficiaries).

The entire LTIP will be conditional on the fulfilment of the specific objectives set for the period 2025-2027 and the beneficiaries continuing to work for the Company. In addition, any shares delivered will be subject to a retention period of two years from the first date of payment.

The LTIP 2025-2027 may be granted through performance shares, stock options, a cash amount or a combination of the above. To determine the suitability and market levels of the LTIP beneficiaries, the Appointments and Remuneration Committee has carried out an assessment supported by an independent expert (WTW).

Amount of LTIP 2025-2027 allocated to the Executive Directors

In the event that the LTIP 2025-2027 is approved by the Annual General Shareholders Meeting, the grant value of the Executive Directors' LTIP 2025-2027 would be:

	Target (% of Fixed Remuneration)		Maximum (% of Fixed Remuneration)	
	Annualised	Total 3 years	Annualised	Total 3 years
CEO	133.33%	400%	200%	600%
COO	100%	300%	150%	450%

Both the target and maximum levels, as a percentage of Fixed Remuneration, are identical to those of the LTIP 2022-2024 detailed in section 2.2.4 above.

In case the LTIP 2025-2027 is granted through performance shares and/or stock options, the final value of the LTIP will depend on the degree of achievement of targets and the evolution of the share price.

Metrics

At the date of approval of this report, the ARC is working on the determination of the objectives and metrics to be included in the LTIP 2025-2027. These objectives will include Absolute Total Shareholder Return (TSR) considering the cumulative change in the quoted value of MERLIN Properties shares into account, including dividends and other similar concepts received by the shareholder in 2025-2027. Other possible targets that could be included in the Plan are the EPRA NTA or certain indicators related to the data center business.

The proposed resolution approving the LTIP 2025-2027, which will be submitted to the Annual General Shareholders Meeting for approval, will detail the specific metrics and their weightings.

Scales of achievement and evaluation of targets

For each metric, the Board, at the proposal of the Appointments and Remuneration Committee, will determine an achievement scale that includes a minimum compliance threshold, below which no incentive is paid and whose compliance would entail the delivery of the minimum incentive linked to the corresponding metric. If target compliance with the above targets is achieved in accordance with the above metrics agreed by the Board, the LTIP target for each metric would be paid out. The maximum incentive assigned to each metric will be paid if maximum target achievement is reached.

The Appointments and Remuneration Committee will monitor 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. Both in setting the targets and evaluating their achievement, the Appointments and Remuneration Committee will also consider any associated risk.

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.

For each of the executive directors to be eligible to receive the incentive, they must maintain an employment or business relationship with MERLIN Properties at least during the target measurement period (subject to any exceptions deemed appropriate).

Executive Directors will not receive the incentive to which they may be entitled until the Appointments and Remuneration Committee has performed the actions described above, subject also to the Board's approval.

Accrual schedule and payment method

The period for measurement of targets would begin on 1 January 2025 and end on 31 December 2027.

If at least minimum compliance with the targets is achieved, the incentive will be settled after the accounts for 2027 have been drawn up and audited. If all or part of the incentive is paid in shares, the Plan will include a retention period for any shares delivered. This retention period will be two years from the first date of payment.

In addition, in accordance with the 2025-2028 Remuneration Policy, the 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 functions. 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.

Whenever this requirement is not met, the retention period to which the shares delivered to the Executive Directors under the LTIP, where appropriate, is to be subject will be three years.

3.3 MALUS AND CLAWBACK CLAUSES

If certain events or circumstances detailed in the 2025-2028 Remuneration Policy occur before any STIP or LTIP amounts are paid to the executive director, such as, the restatement of the Company's financial statements, the existence of alterations or inaccuracies in the business data relevant to the STIP or LTIP and confirmed by the external auditors, or the dismissal of Executive Directors due to irregular conduct, fraud, non-compliance or serious breaches of their obligations, where such conduct has been confirmed by a definitive court ruling, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, may reduce by the percentage considered appropriate or even cancel the executive director's entitlement to the STIP and/or LTIP.

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.

In addition, if during the two (2) years following the payment of the STIP or LTIP for Executive Directors, certain events or circumstances detailed in MERLIN Properties' 2025-2028 Remuneration Policy occur, such as the Spanish National Securities Market Commission imposing a serious sanction on the Company due to events related to the performance of the duties of an Executive Director at the Company, if there is a material restatement of the Company's financial statements for reasons attributable to an Executive Director or if the Executive Director is dismissed due to irregular conduct, fraud, non-compliance or serious breaches of their obligations, MERLIN Properties may require the Executive Director in question to repay up to 100% of the amount, net of taxes, received under the STIP and LTIP.

In any case, it will fall to the Company's Board of Directors, following a report by the Appointments and Remuneration Committee, to determine whether the circumstances have arisen that trigger the application of the malus and clawback clauses with regard to variable remuneration, in the cases affected and, if so, the manner in which it should take place.

3.4 POSSIBLE PAYMENTS IN THE EVENT OF REMOVAL

Following is a summary of the payments that Executive Directors may receive in the event of removal:

- **Termination benefits:** severance in case of termination of the relationship with the Company is limited to an amount equal to twice the fixed remuneration received and the STIP granted in the last twelve (12) months prior to the termination. Of this amount, an amount equal to six months' fixed remuneration is paid as financial compensation for the non-competition agreement as described below. In this regard, the contracts signed with the Executive Directors establish that this severance will not be paid where the termination is due to a decision by the Company stemming from:
 - A gross breach or violation of the statutory duties and obligations incumbent on the director, or
 - Some act or omission that causes serious damage to the Company and provided that, in both cases, the occurrence of such grounds has been declared by a competent court.

This severance would also be payable in the event of the resignation or termination of the Executive Director deriving from a substantial adverse modification of their conditions or functions. The amount of the severance is limited to the amount equal to one year's fixed remuneration received and the STIP granted in the last twelve (12) months prior to the removal where the termination is due to a resignation by the Executive Director deriving from a change of control at the Company (as defined in the 2025-2028 Remuneration Policy). Of this amount, an amount equal to six months' fixed remuneration is paid as financial compensation for the non-competition agreement as described below.

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.

- **Post-contractual non-competition agreement:** Executive Directors assume a non-competition obligation for six months from the date of termination of their contractual relationship. The remuneration for this obligation is a gross amount equal to six months' annual fixed remuneration (equal to EUR 500,000), which will be paid to the Executive Director in monthly instalments where the termination is due to their resignation and such resignation does not give rise to any severance in their favour, and it will be considered absorbed (and therefore no additional payment will be made) by the amount of severance for removal received in cases where the termination led to payment of severance to the director.
- **Settlement of STIP:** Executive Directors will be entitled to receive all or part of the STIP in accordance with the conditions described in the 2025-2028 Remuneration Policy.
- **Settlement of LTIP:** Executive Directors will be entitled to receive all or part of the LTIP in certain situations or scenarios of removal.

The terms and conditions described above comply with that established in Recommendation 64 of the Good Governance Code for Listed Companies, as they indicate that payments for termination of an employment contract include severance, contractual non-competition agreements or any other payment earned or payment obligation that arises as a result of the termination of the contract and that these amounts may not exceed twice the total annual fixed remuneration.

3.5 CONDITIONS FOR EXECUTIVE DIRECTOR CONTRACTS

The contracts that regulate the performance of the functions and responsibilities of each Executive Director include the customary clauses included in this type of contract, in accordance with standard

market practices in this regard. These are aimed at attracting and retaining the most outstanding professionals and safeguarding the Company's legitimate interests. Notwithstanding the clauses on termination benefits and the non-competition agreement described in the previous section, the main conditions of the Executive Directors' contracts are as follows:

- **Nature:** independent contractor.
- **Term:** the contracts with Executive Directors are for an indefinite term.
- **Confidentiality:** Executive Directors, both during the period they provide services to the Company and after their contract has been terminated for whatever reason, may not provide, disclose or supply to any natural or legal person, whether directly or indirectly, any data, ideas, documents, secrets, procedures, methods or, in general, any information to which they may have had access in discharging their office, except for that strictly necessary to comply with the obligations contained in the contract or information in the public domain (unless it becomes public due to a breach of the confidentiality obligation). Likewise, they may not use such information for their own benefit or for the benefit of third parties. Notwithstanding the confidentiality obligation expressly established in the contract, Executive Directors are also bound by the duty of secrecy, forming part of the duty of loyalty established in section 27 of the Board Regulations and, specifically, by the duty of confidentiality, applicable to all directors, regulated in section 24 of the Board Regulations.
- **Period of notice:** it is established that both parties must respect, in general and save for specific exceptions, a period of notice of four (4) months. 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.
- **Others:** the contracts also include the standard rules regarding (i) exclusivity in the provision of the services, and (ii) intellectual property and inventions within the context of the services.

3.6 EXTERNAL DIRECTORS

The maximum annual amount that MERLIN Properties may pay to all External Directors (independent, proprietary or other external directors), as such, remains at two million six hundred thousand euros (EUR 2,600,000) gross annually (this limit was approved by the shareholders at the General Meeting held on 17 June 2020).

For 2025, the remuneration of External Directors (independent, proprietary or other external) is similar to that of 2024, except for the fixed allocations of the members of the Appointments and Remuneration Committee and the Sustainability and Innovation Committee, which have been increased by EUR 10,000. Remunerations in 2025 will therefore amount to:

	BOARD OF DIRECTORS	PLANNING AND COORDINATION COMMITTEE	AUDIT AND CONTROL COMMITTEE	APPOINTMENTS AND REMUNERATION COMMITTEE	SUSTAINABILITY AND INNOVATION COMMITTEE
CHAIR	Fixed allocation: EUR 450,000	Fixed allocation: EUR 10,000	Fixed allocation: EUR 10,000	Fixed allocation: EUR 10,000	Fixed allocation: EUR 10,000
DIRECTOR	Fixed allocation: EUR 100,000 Per diem attendance fees: EUR 2,000	Fixed allocation: EUR 20,000	Fixed allocation: EUR 35,000	Fixed allocation: EUR 30,000	Fixed allocation: EUR 20,000
COORDINATING INDEPENDENT DIRECTOR	Fixed remuneration: EUR 35,000	--	--	--	--

Each amount 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 of Directors, where the chair's fees absorb all remuneration components for the functions performed (office of director, function of Board chair, committee membership or chairmanship, as the case may be).

Any amount detailed in this section will be payable in cash. Any director may, if considered it appropriate, waive all or part of their remuneration in favour of the Company.

If an external director is appointed, removed or tenders their resignation during the year, the corresponding amounts assigned will be prorated based on the time that the director sat on the Board of Directors.

4. BODIES INVOLVED IN THE PROCESS OF DETERMINING, APPROVING AND APPLYING THE REMUNERATION POLICY

The Appointments and Remuneration Committee is responsible for, among other tasks, proposing and submitting the remuneration policy to the Board, and determining the remuneration of the Executive Directors and the other terms and conditions of their contracts, ensuring also that they are observed.

The following is a summary describing the bodies at the Company that are involved in the process of defining and implementing the remuneration policy, as described in the previous sections:

DETERMINATION AND APPROVAL	APPOINTMENTS AND REMUNERATION COMMITTEE	BOARD OF DIRECTORS	GENERAL SHAREHOLDERS MEETING
REMUNERATION POLICIES	Proposes the remuneration policy to the Board.	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 OF DIRECTORS	GENERAL SHAREHOLDERS MEETING
REMUNERATION OF EXTERNAL DIRECTORS	The ARC informs the shareholders' meeting of what the Annual General Shareholders Meeting proposes.		Proposes the remuneration system at the Annual General Meeting along with the maximum amount of annual remuneration.	Approves, in an advisory role, the ADRR, which includes details on the remuneration accrued during the year.
REMUNERATION OF EXECUTIVE DIRECTORS	Assesses the degree of compliance with the criteria and targets established for 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 ESG metrics established in the STIP and LTIP.	Approves the individual remuneration for Executive Directors, within the limits established in the Remuneration Policy.	

On the other hand, the Appointments and Remuneration Committee ensures that the remuneration policy is in line with the Company's short-, medium- and long-term situation and strategy, including with regard to sustainability, diversity, long-term return and risk assumption, and with market conditions, and assesses whether it contributes to the creation of long-term value and adequate control and management of risks, and verifies the above annually.

The Company also receives assistance from external consultants in preparing the various analyses and reports related to the remuneration of directors. In this regard, MERLIN Properties has been advised by WTW.

5. WORK PERFORMED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE

Introduction:

The organisation and competence of MERLIN Properties' Appointments and Remuneration Committee (ARC) is regulated in article 41 of the Board Regulations and article 45 of the Company's Articles of Association, and also in the Appointments and Remuneration Committee regulations.

Composition:

In accordance with section 8 of its Regulations, the ARC was formed by seven (7) External Directors. At 31 December 2024 and at the date of preparation of the Report, the Committee consisted of the following members:

NAME	POSITION	CATEGORY
Inès Archer-Toper	Chair	Independent
Julia Bayón Pedraza	Member	Proprietary
M ^a Luisa Jordá Castro	Member	Independent
Fernando Ortiz Vaamonde	Member	Independent
Pilar Caveró Mestre	Member	Independent
Juan María Aguirre Gonzalo	Member	Independent
Donald Johnston	Member	Independent

Functioning:

In accordance with its regulations, the Committee is convened by its chairman, either on his own initiative or at the request of the chairman of the Board or any of its members. It meets, ordinarily, at least once per quarter, and when called by its chair, who must call a meeting whenever the Board or its chair requests the issuance of a report or the adoption of proposals and, in any case, whenever considered necessary to properly perform its functions. The Committee is considered to be validly convened when attended by the majority of its members in person or by proxy, and its resolutions are passed by a majority of members attending in person or by proxy.

Main tasks:

The Committee has the powers set out in article 6 of its Regulations, which includes tasks in the areas of remuneration, assessment, selection, appointment, re-election and removal of directors (both for positions on the board and in any of its committees) and the staff identified as senior executives, and in matters related to the management, retention and promotion of talent, corporate governance and the supervision of the Company's financial or non-financial information in matters that fall within its area of competence.

Meetings:

In 2024, the Appointments and Remuneration Committee met on ten occasions (in particular, on 8 February, 23 February, 22 March, 6 May, 16 May, 20 June, 18 September, 14 October, 15 November and 20 December). All meetings have been either face-to-face or telematic. In addition, the Committee met in internal working sessions throughout the year for specific issues, sometimes with the attendance of external parties, without being considered formal meetings.

All Committee meetings were attended (either in person, duly represented or by audio-visual means) by all Committee members, except one director who excused his attendance at the meeting of 20 June 2024 and another director who excused his attendance at the meeting of 18 September.

Within the framework of some of these meetings:

- (i) Executive Directors attended meetings to discuss the level of achievement of the 2023 STIP and LTIP 2022/2024 metrics in the 2023 financial year; the proposed new metrics for the 2024 STIP and the proposed organisational chart.
- (ii) Management team members attended the meetings to determine the ESG parameters to be considered in the Executive Director and workforce targets for 2024, and in the long term.
- (iii) The external advisers contracted to provide market remuneration information, provide advice on the design of incentives and transparency of remuneration, and to advise and assist in the preparation of the Annual Board Remuneration Report for 2023 attended.

- (iv) Finally, in 2024 various working meetings were held, in addition to the formal meetings of the Committee, promoted by the Chair and certain directors, and attended by the representatives of the various short-listed firms to execute the external assessment and initiate the process for selecting female directors.

Committee actions in 2024:

Regarding remuneration:

- (i) Review and supervise the degree of fulfilment of the targets set for determining the variable remuneration for 2023, proposing to the Board the amount to be received by its beneficiaries, with special reference to executive directors and the management team;
- (ii) Analyse, with the support and advice of those responsible for the MERLIN Sustainability area, the targets to be included to determine the 2024 STIP, including metrics relating to ESG, for its application to the management team, including executive directors, and the basic lines regarding volume, targets, metrics and weightings of the short-term variable remuneration of the rest of the workforce;
- (iii) Review the level of compliance with the long-term incentive targets (LTIP 2022-2024) and revise the list of beneficiaries;
- (iv) Determine targets, benchmarks and thresholds for the 2024 short-term incentive plan (STIP) for both executive directors and the management team;
- (v) Monitor and report on the ADRR 2023;
- (vi) Propose to the board of directors the engagement of WTW to advise on the advisory process for the preparation of the new board remuneration policy for 2025-2028, the new long-term incentive plan for 2025-2027 and the preparation of and advice on the ADRR 2024;
- (vii) Follow up with WTW on the various short- and long-term remuneration proposals for the executive directors and the management team, considering the appropriateness of incorporating the data center business as a strategic part to be incentivised; and
- (viii) Review the market and best practice compliance of MERLIN's existing non-executive directors' remuneration scheme.

Governance:

- (ix) Follow up on the findings of the external evaluation of the board, its officers and committees, concerning their performance during 2023, as well as discuss proposals for improvement measures and draw up a plan for their implementation and proposal to the board;
- (x) Review the regulations of the audit and control and sustainability and innovation committees and the bylaws to report favourably on the removal of the casting vote of the chair in these committees;
- (xi) Monitor the Annual Corporate Governance Report 2023 and report on aspects within its competence;
- (xii) Review the skills matrix of the Board to assess the inclusion of ESG competencies and other skills related to technological knowledge;
- (xiii) Review and supervise MERLIN's organisational structure, assessing the adequate coverage of positions of responsibility in the appropriate departments;
- (xiv) Analyse and review the impact of the publication of Spanish Organic Law 2/2024 of 1 August on equal representation and balanced presence of men and women; and
- (xv) Continue with the regular use of the report questionnaire by directors on litigation matters and other situations that may affect MERLIN's reputation.

Appointments:

- (i) Analyse the composition of the Board and prepare the proposals for the appointment or re-election of the directors whose positions expire at the 2024 General Meeting, preparing the proposals and reports required for this purpose;
- (ii) Report on the proposal to replace a proprietary director at the proposal of one of the significant shareholders, assessing the impact of such inclusion for the purposes of its consequences in the recommendation on gender diversity;
- (iii) Report on the process of selecting and proposing the appointment of an independent female director, which, together with the new proprietary director who also joined the board, has increased the proportion of women on the board;
- (iv) Report on the process of appointing a new chair, following the resignation of the previous chair due to additional responsibilities outside MERLIN;
- (v) Report on the composition of the board committees and on the chairing of these committees following the additions to the board approved by the Annual General Shareholders Meeting; and
- (vi) Promote the process of selecting a firm of experts to advise on the drafting of a new remuneration policy for the board and a new incentive plan, selecting the firm Willis Towers Watson for this purpose.

Other Committee powers:

- (i) Support in the process of preparing non-financial information and approving it, in the areas within its competence, considering that 2023 was the first year in which it was prepared by MERLIN;

- (ii) Approve the Committee's Activities Report for 2024; and
- (iii) Prepare the agenda of meetings and their content for the following financial year.

Committee action plan for 2025:

The Committee's action plan for 2025 will focus on continuing with its functions and competencies, as regulated in the Committee Regulations, acting in coordination, in general, with the other corporate bodies and with the management team.

Within the framework of the above, the Committee has the following actions planned for 2025:

- (i) review the composition of the board and the plan to follow considering that June 2026 is the expiry of the 12-year term of office of four directors who are chairs of commissions and committees but who could not be renewed as independent directors;
- (ii) promote, together with the executive directors and in line with the Equal Representation Act, a greater presence of women in the management team;
- (iii) support, promote and collaborate in the preparation of non-financial information or in its 2024 report on non-financial information, on matters within the competence of the Committee, in this second year of its preparation by the company;
- (iv) review and report on the degree of fulfilment of the targets set for 2024 for short-term variable remuneration and, therefore, the resulting remuneration;
- (v) review and report on the extent to which the objectives of the long-term plan are being met, through delivery of shares, determining the volume of shares to be delivered;
- (vi) propose the objectives, metrics and weightings for the variable achievement-based remuneration for the 2025 financial year applicable to the executive directors and the management team; in particular, analyse with the support of WTW the design of a long-term incentive plan linked to the growth of the data center business as a strategic line that should drive growth in share price value and profitability;
- (vii) monitor, together with the other committees concerned, the governance measures that should be proposed based on the corporate structure of the different lines of business that are going to develop, proposing remuneration systems that make it possible to maintain and retain the overall talent of the MERLIN team and remunerate it in a way that encourages their dedication and effort, with the external support that may be required.
- (viii) propose the remuneration policy of the board for the 2025 period and the following 3 financial years.
- (ix) propose the basic lines, including the maximum amount, of the current variable remuneration applicable to the rest of the workforce:
- (x) carry out its duties in a timely manner and report and make proposals on matters within its competence; and
- (xi) promote the coordination of the director training plan with the other board committees.

6. ALIGNMENT OF THE REMUNERATION SYSTEM WITH THE RISK PROFILE AND SUSTAINABLE AND LONG-TERM RESULTS

The remuneration policy has the following features that enable reduction of exposure to excessive risks and align it with the Company's long-term sustainable results:

Adoption of measures in relation to those categories of personnel whose professional activities have a material impact on the Company's risk profile

- The Appointments and Remuneration Committee supervises the review, analysis and application of the remuneration policy for MERLIN Properties' executives whose activities may have a material impact on the organisation's risk profile.
- There are no guaranteed variable remunerations.
- 50% of the STIP is subject to a deferral period of up to two years.
- STIP upfront payment only occurs after the date of authorisation for issue of the corresponding financial statements, after determining the degree of completion 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 total minimum duration of the LTIP is five years, (three-year target measurement period and two years of retention of any shares delivered).
- 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 (2) 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.
- The Appointments and Remuneration Committee consists of seven members, three of whom are also members of the Audit and Control Committee. The mutual presence of Directors on both these commissions ensures that the risks associated with remuneration are taken into account in the commissions' deliberations and in their proposals to the Board, in the process both of determining and evaluating the STIP and the LTIP. In addition, a member of the Appointments and Remuneration Committee is also a member of the Sustainability and Innovation Committee, which makes it possible to design the remuneration system considering the implications that may arise as regards sustainability.
- In relation to the measures necessary to avoid conflicts of interest by the directors, in line with what the Corporate Enterprises Act establishes, MERLIN Properties' Board Regulation includes a set of obligations deriving from their duties of loyalty and avoiding 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.

Consistency with MERLIN Properties' strategy and sustainable and long-term results

- 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 and the management team 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 has an annualised weight of 40% or more of the total remuneration in a scenario of meeting maximum targets (fixed + short-term variable + long-term variable).
 - b. Long-term variable remuneration plans are 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. This remuneration is granted and paid in the form of shares based on creation of value, so that the executives' interests are aligned with those of the shareholders.
 - c. 100% of the shares delivered under LTIP to Executive Directors will be subject to a two-year retention period. 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) would not exceed 80%.
 - Payment of 15% of the 2024 STIP was linked to progress in the sustainability strategy, specifically the reduction of CO₂ per m² and MERLIN Properties' position in the seven indexes considered as benchmarks. In turn, in 2025 STIP linked 10% of the company's incentive to progress on sustainability issues. In addition, 5% of the LTIP 2025-2027 is linked to the reduction of CO₂ emissions.

7. Statistical Schedule to the Annual Report on Directors' Remuneration for public limited liability companies under CNMV Circular 4/2013 for MERLIN PROPERTIES SOCIMI, S.A.

[Comments on Table C.2:](#)