



**ANNUAL DIRECTOR REMUNERATION REPORT FOR THE YEAR ENDED
31 DECEMBER 2025**



Contents

LETTER FROM THE CHAIR OF THE APPOINTMENTS AND REMUNERATION COMMITTEE	3
1. SUMMARY OF EXECUTIVE DIRECTORS' REMUNERATION	5
2. APPLICATION OF THE REMUNERATION POLICY IN 2025	8
2.1 REMUNERATION POLICY APPLICABLE IN 2025	8
2.2 REMUNERATION OF EXECUTIVE DIRECTORS IN 2025	9
2.3 EXTERNAL DIRECTORS	12
3. DIRECTORS' REMUNERATION IN 2026	14
3.1 REMUNERATION POLICY APPLICABLE IN 2026	14
3.2 REMUNERATION ITEMS OF EXECUTIVE DIRECTORS IN 2026	14
3.3 MALUS AND CLAWBACK CLAUSES	19
3.4 POSSIBLE PAYMENTS IN THE EVENT OF REMOVAL	19
3.5 CONDITIONS FOR EXECUTIVE DIRECTOR CONTRACTS	20
3.6 EXTERNAL DIRECTORS	21
4. BODIES INVOLVED IN THE PROCESS OF DETERMINING, APPROVING AND APPLYING THE REMUNERATION POLICY	21
5. WORK PERFORMED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE	23
6. ALIGNMENT OF THE REMUNERATION SYSTEM WITH THE RISK PROFILE AND SUSTAINABLE AND LONG-TERM RESULTS	26
7. Statistical Schedule to the Annual Report on Director Remuneration for public limited liability companies under CNMV Circular 4/2013 for MERLIN PROPERTIES SOCIMI, S.A.	28

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 Properties"), I am pleased to present the Annual Director Remuneration Report (the "Report" or the "ADRR") to be put to the vote of the 2026 Annual General Meeting in its 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 2025.
2. Description of the Directors' Remuneration Policy ("2025-2028 the Remuneration Policy") applicable in 2026.
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 2025.

MERLIN Properties' profit/loss in 2025 and its reflection on the remuneration earned by the Executive Directors

During 2025, MERLIN Properties continued to exhibit strong operational and financial performance on the back of its high-quality, diversified portfolio, high occupancy rates across all asset classes, and organic rental growth, achieved thanks to active, disciplined management.

- The Net Revenue Level after propex in 2025 grew by +8.8% and adjusted EBITDA (excluding the impact of asset and derivative valuation) by +9.7%. The occupancy rate (95.6%) rose across all asset classes, with higher renovation rental income and like-for-like rental income growth for office and logistical premises and shopping centres.
- 2025 also saw substantial progress in implementing the strategic Data Centre plan, which has taken shape as a new business vertical making a tangible, growing contribution to value creation by the Group. The progress made in operations, marketing, and development has boosted the visibility of this line of business and its alignment with the Company's long-term plan.
- The Net Debt to book EBITDA ratio is below 10x. Both S&P Global Ratings and Moody's maintained MERLIN Properties' credit rating due to its low debt and improved cash flow generation profile. Execution of the Company's divestment plan continues.

The value of MERLIN Properties' shares grew by 22.2% in 2025, while the EPRA index in Europe rose by only 2.3%.

Based on the 2025 results, at the proposal of the Appointments and Remuneration Committee, the Board approved the short-term incentive payment (the "STIP") payable to the executive directors and the management team in an amount equal to 100% of the maximum incentive. For executive directors and the management team, 50% of this amount will be paid in cash in 2026, 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 2025-2027 long-term incentive plan (LTIP), started up during the 2025 financial year. The main features of this element of remuneration are described in detail in section 3.2.4.

Consultation process with our shareholders and the Remuneration Policy applicable in 2026

Significantly high levels of support for the 2025-2028 Remuneration Policy (96.21%), the 2025-2027 long-term incentive plan (96%), and the Annual Director Remuneration Report (91.6%) were obtained at the 2025 AGM. These approval levels are among the highest in recent years, demonstrating our shareholders' confidence in the Company's remuneration model and the reasonableness and appropriateness of the Remuneration Policy that has been approved. In view of this endorsement, and in the absence of material changes in the circumstances that led to that approval, the remuneration policy followed in 2026 will be similar to that followed in 2025.

Notwithstanding the above, MERLIN continued its ongoing dialogue with proxy advisors and institutional investors in 2025.

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

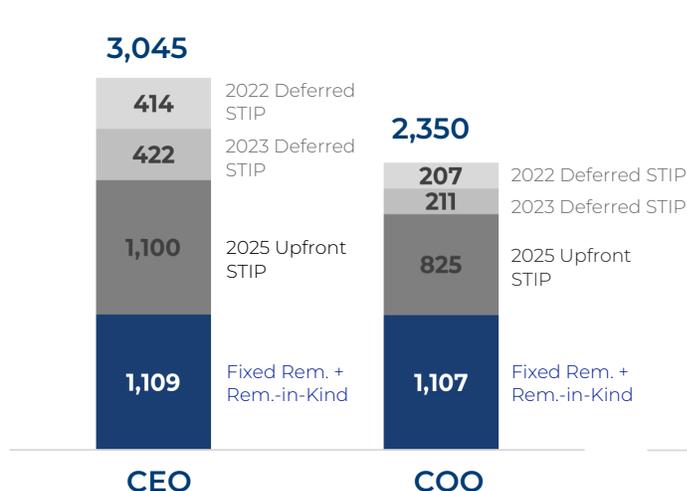
Chair of the Appointments and Remuneration Committee.

1. SUMMARY OF EXECUTIVE DIRECTORS' REMUNERATION

1.1 REMUNERATION OF EXECUTIVE DIRECTORS IN 2025

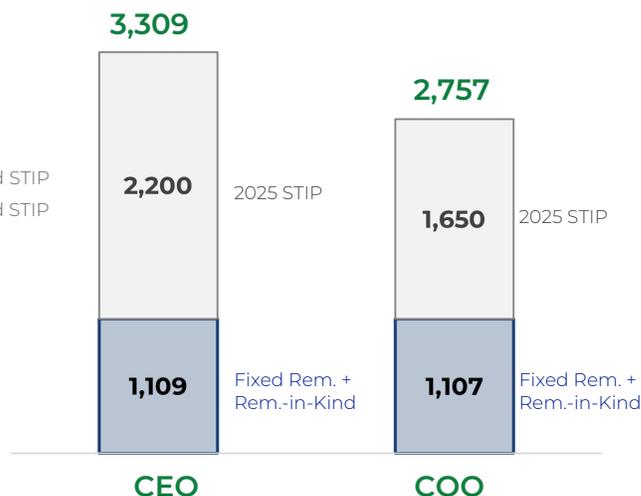
Remuneration accrued in 2025

(thousands of euros)



Remuneration generated in 2025

(thousands of euros)



Remuneration accrued in accordance with the instructions set forth in Spanish National Securities Market Commission Circular 3/2021, of 28 September.

This comes from adding up the Fixed Remuneration, the Remuneration-in-Kind, the 2025 Upfront STIP, 25% of the 2022 STIP, and the 2023 STIP that vested and were paid in March 2025 (the second and first anniversary of the upfront payment of the respective STIPs).

Remuneration generated in 2025, irrespective of whether payment of a portion may be deferred in future years and not considered accrued for purposes of the ADRR.

This comes from adding up the Fixed Remuneration, Remuneration-in-Kind, and the entire 2025 STIP.

The remuneration generated in 2025 was in line with the profit obtained by MERLIN Properties in that year. Specifically, in respect of the 2025 STIP, the Company has achieved the maximum level of attainment of the targets set out in the 2025 STIP. In addition, the Appointments and Remuneration Committee has positively assessed attainment of the individual ESG-related performance goals by the Executive Directors in 2025. As a result, at the proposal of the Appointments and Remuneration Committee, the Board approved payment of 100% of the short-term incentive to the Executive Directors and the management team.

1.2 REMUNERATION PACKAGE FOR EXECUTIVE DIRECTORS IN 2026

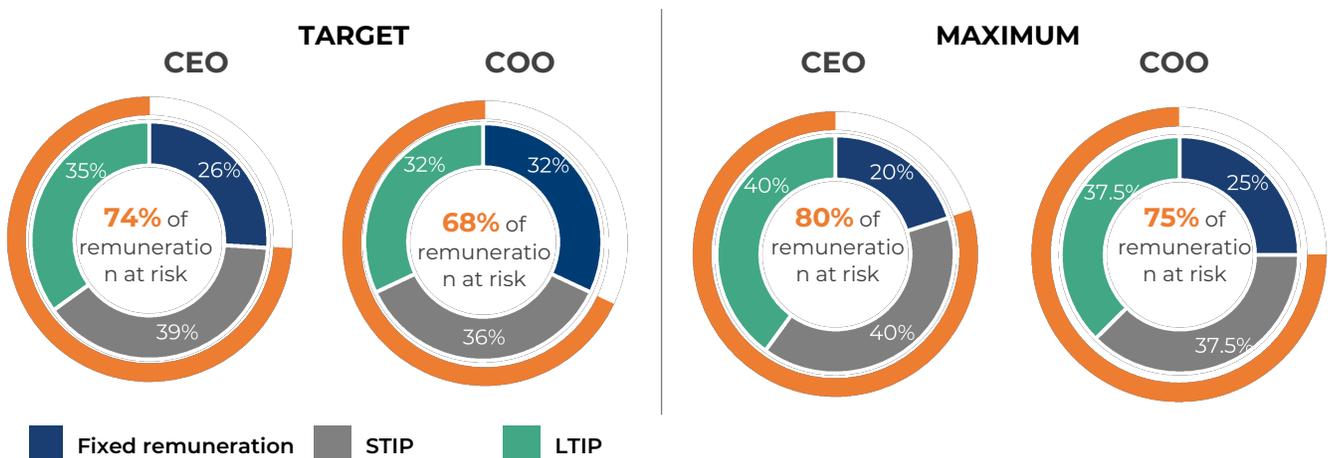
Remuneration elements

	Fixed Remuneration + Remuneration-in-Kind	Short-term variable remuneration (STIP 2025)		Long-term variable remuneration (2025-2027 LTIP)	
		Target	Maximum (133.33% of the Target)	Target	Maximum (150% of the Target)
CEO	FR: €1,100,000 RiK: < EUR 14,000	150% x FR	200% x FR	133.33% x FR	200% x FR
COO	FR: €1,100,000 RiK: < EUR 14,000	112.5% x FR	150% x FR	100% x FR	150% x FR

* Value of the approved 2025-2027 LTIP.

Severance payments can amount to 2 x (FR + STIP allocated in the last 12 months). Post-contractual non-compete agreement included in compensation equivalent to six monthly payments of the Fixed Remuneration

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 flexible and progressive variable remuneration system, whereby they may not receive any amount in this regard if the minimum performance thresholds have not been 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 awarded 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. It includes targets related to the new Data Centre vertical and reducing CO2 emissions.
 - 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.

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.
- There are no guaranteed variable remunerations.
- No loans or advances were granted.
- Extraordinary remuneration may not be awarded

2. APPLICATION OF THE REMUNERATION POLICY IN 2025

2.1 REMUNERATION POLICY APPLICABLE IN 2025

The following remuneration policies were followed in the 2025 financial year:

 <p>The Directors' Remuneration Policy of MERLIN Properties, SOCIMI, S.A.</p> <p>31 March 2022</p>	<p>From 1 January to the 2025 Annual General Meeting, the applicable Remuneration Policy was the one that had been approved by the Annual General Meeting with 90.7% of the votes in favour on 4 May 2022.</p> <p>This 2022-2025 Remuneration Policy can be viewed at the following link: https://ir.merlinproperties.com/wp-content/uploads/2022/04/MERLIN-%E2%80%93-2022-Directors-Compensation-Policy.pdf</p>
 <p>MERLIN PROPERTIES</p> <p>DIRECTOR REMUNERATION POLICY OF MERLIN PROPERTIES, SOCIMI, S.A.</p> <p>30 April 2025</p>	<p>The new 2025-2028 Remuneration Policy approved by the General Meeting with 96.21% of votes in favour on 30 April 2025 was then in effect from the date of the AGM until 31 December 2025.</p> <p>The 2025-2028 Remuneration Policy can be viewed at the following link: https://ir.merlinproperties.com/wp-content/uploads/2025/05/25-03-04-Politica-Remuneraciones-Consejo_EN_FINAL.pdf</p>

The new 2025-2028 Remuneration Policy was drawn up after in-depth reflection process by the Appointments and Remuneration Committee taking into account such factors as alignment with shareholder value creation, short and long-term strategic priorities (chief among them new business verticals like Data Centres), internal equity in the terms of remuneration of the management team and employees as a whole, market practice in comparable companies, and the recommendations arising out of ongoing dialogue with our shareholders and institutional investors, proxy advisors, and other stakeholders.

The remuneration earned by the Executive Directors in 2025 thus consisted of Fixed Remuneration, Remuneration-in-Kind, and Short-Term Variable Remuneration. No Long-Term Variable Remuneration accrued, as the target measurement period for the 2025-2027 LTIP does not end until 31 December 2027.

The remuneration earned by Directors from their position as director thus consisted of the elements set out in section 5 of the Remuneration Policy.

There were no deviations from the Remuneration Policy application procedure, and no temporary exceptions were made.

2.2 REMUNERATION OF EXECUTIVE DIRECTORS IN 2025

2.2.1 Fixed Remuneration

Each of the Executive Directors received EUR 1,100,000 in Fixed Remuneration.

2.2.2 Remuneration-in-kind

Under the remuneration policy referred to above, the 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.

In 2025, the Company paid the premiums corresponding to the health and life insurance described above, which amounted to EUR 9,256 for the CEO and EUR 6,517 for the COO.

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

To determine the 2025 STIP, the Appointments and Remuneration Committee set the following targets and weightings:

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/EBITDA	The Net Debt/book EBITDA ratio is calculated as the net debt divided by the accounting EBITDA. Both these measures are defined in the APMs.	15%
Divestments	Level of the divestments made in accordance with the Company's asset rotation plan.	15%
MW available for rent	MW at outfitted Data Centres with electric power supply equipment installed rented or available for rent.	10%
Gross Rental Income (GRI) from the Data Centre business	Gross Rents from the Data Centre business.	10%
¹ APM (Alternative Performance Measures): alternative performance measures defined by ESMA that are not defined in the IFRS and are presented as supplemental information in the financial statements.		
NON-FINANCIAL TARGETS		20%
CO₂ emissions reduction	Reduction in the intensity of emissions in kg CO ₂ /m ² with respect to the previous year calculated for the comparable portfolio of assets over which the Company has operational control. The information used for this will be latest available on the date on which fulfilment of 2025 STIP targets is assessed.	10.0%
Performance assessment	Individual performance of the Executive Directors in 2025.	10%
		100%

Throughout the year, the Appointments and Remuneration Committee has monitored these targets established for the 2025 STIP. The final assessment of the above targets was performed based on the verified profits for 2025, in accordance with the following process:

- Profit for 2025 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. The results and the degree of achievement of non-financial objectives were analysed by the Sustainability and Innovation Committee.

Through those this analyses, the Appointments and Remuneration Committee established a proposal for 2025 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 2025 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 2026, based on the following degree of achievement of the targets:

METRICS	Weighting	Reported result 2025	Level of performance				
			Below minimum	Between the minimum and the target	Target	Between the target and maximum	Maximum
Net operating income (NOI) + Other income	15%	€ 478 m					
Pre-tax accounting profit	15%	€ 340 m					
Net Debt/accounting EBITDA	15%	9.1 x					
Divestments	15%	€ 129 m					
MW available for rent	10%	44 MW					
Gross Rental Income (GRI) from the Data Centre business	10%	€ 31,2 m					
CO ₂ emissions reduction	10%	(2.0) %					
Performance assessment	10%						
			0%	50% - 74.99%	75%	75% - 99.99%	100%
Payment level							

Financial targets accounted for 80% of the total, and performance was at maximum levels. In particular, NOI + other income and adjusted book EBIT were above the thresholds set for the maximum level of performance. In addition, the net debt to book EBITDA ratio reached a level significantly higher than the target, reflecting the Company's solid financial position.

Furthermore, the maximum divestment target of EUR 100-120 M communicated to the market was exceeded. In relation to the Data Centre business, both the MW available for rent and the level of gross income were above the targets set, demonstrating progress in this key business. Consequently, the weighted payment coefficient for financial targets was 100%.

Non-financial targets, with a total weight of 20%, were also met to the fullest possible extent. Reduction of CO₂ emissions in line with the commitments made had been achieved, as detailed in the SNFI (-4.8%). When evaluating performance by the Executive Directors, at the proposal of the ARC, the Board positively assessed their contribution to achieving the Company's strategic and operational objectives, including the solid financial performance, development of the Data Centre business, and efficient

management of the financial structure at a point in time when the European real estate sector generally has been performing poorly. As a result, the weighted payment ratio for non-financial objectives is 20%.

This degree of target achievement corresponds to 100% of the weighted payment ratio as regards the maximum incentive. In view of the above, the allocated 2025 STIP amounts to EUR 2,200,000 for the CEO (200% of the fixed remuneration) and EUR 1,650,000 for the COO (150% 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 2025 STIP (March 2026).

The remaining 50% of the corresponding 2025 STIP (the "Deferred STIP") will vest and will be paid according to the schedule set out below as long as the malus clauses described in section 3.3 below do not apply:

- a) the Executive Directors' right will vest and they will be paid 25% of the 2025 STIP to which they are entitled in cash on the date of the first anniversary of the date of approval of the 2025 STIP (March 2027);
- b) the Executive Directors will vest the right to and receive in cash the final 25% of the 2025 STIP corresponding to them on the date of the second anniversary of the 2025 STIP approval date (March 2028).

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	UPFRONT STIP 2026 INITIAL PAYMENT	DEFERRED STIP (SUBJECT TO MALUS)	
		2027	2028
CEO	€1,100,000	€550,000	€550,000
COO	€825,000	€412,500	€412,500

In accordance with the ADRR compliance instructions set out in CNMV Circular 3/2021, the amount of the Upfront STIP is indicated in the table in section C.1 of the Statistical Schedule accompanying this Report, without prejudice to inclusion of the amount of the Deferred STIP in subsequent years on verifying 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 2022 and 2023, the vesting and payment of 25% of the 2022 STIP and 25% of the 2023 STIP took place in March 2025, after verifying that the *malus* clauses described in section 3.3 below do not apply. The amounts were:

- 25% of the 2022 STIP: EUR 414,050 for the CEO and EUR 207,025 for the COO.
- 25% of the 2023 STIP: EUR 421,500 for the CEO and EUR 210,750 for the COO.

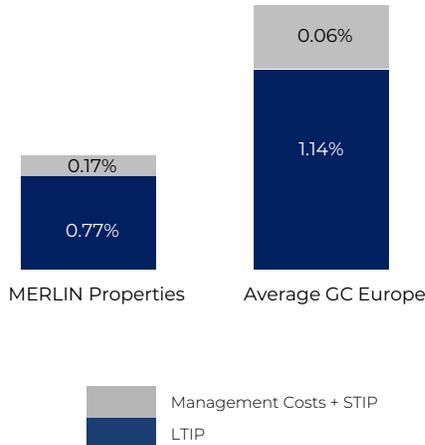
2.2.4 Other relevant information

- The Executive Directors did not receive any remuneration other than those described in section 3.2 of this Report.
- No Long-Term Variable Remuneration accrued in 2025. The information concerning the 2025-2027 LTIP appears in section 3.2.3 below given that this remuneration element will still be in effect in 2026.
- No *malus* or clawback clauses were activated in 2025.
- In 2025, 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 3.4, of this ADRR, as no Executive Directors were removed or resigned.

- The contractual terms established with the Executive Directors for 2025 are those described in the heading on Contractual terms in section 3.5 of this Report. No compensation has been paid in the form of advances, loans, or guarantees.

2.2.5 Other relevant information

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:

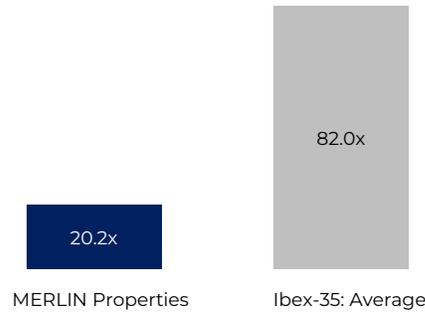


Source: prepared internally by MERLIN Properties. MERLIN Properties' data refer to 2025 while REITs data refer to 2024.

- 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 2025 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.

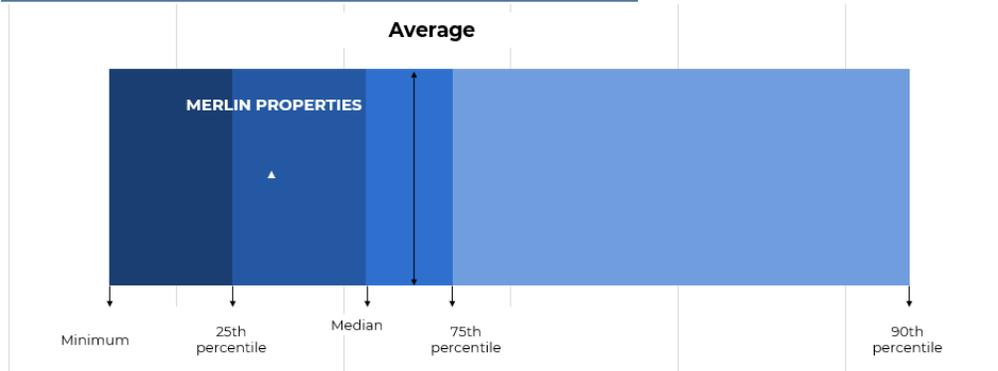
Both MERLIN Properties and the IBEX-35 average show the relationship between the total remuneration earned by the CEO and the average total annual remuneration of the entire workforce. This data relates to that included in the table in section C.2. of Statistical Schedule III of the Annual Directors'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

2.3 EXTERNAL DIRECTORS

Remuneration of External Directors in 2025 was adjusted to the amounts established in the Remuneration Policies applicable in the year.

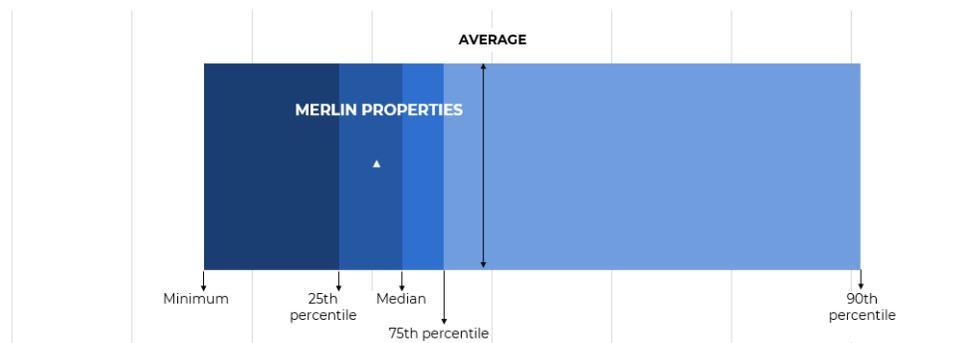
The range of remuneration observed in the IBEX 35 for the position of non-executive chair and the relative positioning of the remuneration established in MERLIN Properties' Remuneration Policy approved in 2025 are shown below.

Remuneration of non-executive chair in the IBEX 35



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 2025 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 2025:

Name	Position	Category	Period	Board Meeting Attendance	Board Committees				Remuneration (thousands of €)
					ACC	ARC	SIC	PCC	
José Luis De Mora Gil-Gallardo	Chair	Proprietary	01/01/25 - 31/12/25	100%	-	-	-	-	450
Juan María Aguirre Gonzalo	Director	Independent	01/01/25 - 31/12/25	100%	M	M	M	-	196
Juan Antonio Alcaraz	Director	Proprietary	01/01/25 - 13/11/25	100%	M	-	-	M	143
Ms. Ines Archer Toper	Director	Independent	01/01/25 - 31/12/25	100%	-	C	-	-	161
Ms. María Julia Bayón Pedraza	Director	Proprietary	01/01/25 - 31/12/25	92%	-	M	-	-	149
Ms. Pilar Cavero Mestre	Director	Independent	01/01/25 - 31/12/25	100%	-	M	IC	-	174
Ms. Ana Garcia Fau	Director	Independent	01/01/25 - 31/03/25	100%	M	-	OC	OC	52
Donald Johnston	Director	Lead Independent Director ¹	01/01/25 - 31/12/25	92%	C	M	-	IC	211
Ms. María Luisa Jordá	Director	Independent	01/01/25 - 31/12/25	92%	M	M	M	-	177
Fernando López Muñoz	Director	Proprietary	13/11/25 - 31/12/25	100%	M	-	-	M	24
Emilio Novela	Director	Independent	01/01/25 - 16/05/25	100%	-	-	M	M	68
Ms. Francisca Ortega Hernández	Director	Proprietary	01/01/25 - 31/12/25	100%	M	-	M	-	176
Fernando Ortiz Vaamonde	Director	Independent	01/01/25 - 31/12/25	100%	-	M	-	-	151
TOTAL									2,132

Abbreviations:

- ACC: Audit and Control Committee
- ARC: Appointments and Remuneration Committee
- SIC: Sustainability and Innovation Committee
- PCC: Planning and Coordination Committee
- C: Chair
- IC: Incoming Chair
- OC: Outgoing Chair
- M: Member

¹ Appointed Lead Independent Director from 1 July 2025, following the passing of Emilio Novela

3. DIRECTORS' REMUNERATION IN 2026

3.1 REMUNERATION POLICY APPLICABLE IN 2026

As previously mentioned, the General Meeting held on 30 April 2025 approved a new remuneration policy for the period 2025-2028 (the "2025-2028 Remuneration Policy") with 96.21% of votes in favour. This policy took effect on the date of the General Meeting. The Company has also taken into account the levels of support received in the Annual Remuneration Reports submitted over the past year (91.60%).

In line with previous years, MERLIN Properties maintained an ongoing dialogue with institutional investors during 2025 and has considered the reasons and rationale for the results of the voting on remuneration arrangements at the 2025 AGM.

3.2 REMUNERATION ITEMS OF EXECUTIVE DIRECTORS IN 2026

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.

As approved in the 2025-2028 Remuneration Policy, the annual Fixed Remuneration in 2026 will be EUR 1,100,000 for each Executive Director. This amount is paid entirely in cash and covers all amounts for expenses arising from membership on and attendance at Board and the Planning and Coordination Committee meetings, in the case of the CEO.

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 2026 (2026 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' 2026 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 2026 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 2026 STIP, the Appointments and Remuneration Committee has set the same targets and weightings as in 2025:

METRICS	WEIGHTING
FINANCIAL TARGETS	80%
Net operating income (NOI) + Other income	15%
Pre-tax accounting profit	15%
Net Debt/accounting EBITDA	15%
Divestments	15%
MW available for rent	10%
Gross Rental Income (GRI) from the Data Center business	10%
NON-FINANCIAL TARGETS	20%
Reduction in CO2 emissions:	10%
Performance assessment	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 2026.

- If the minimum threshold established is not reached, the portion of the 2026 STIP linked to the corresponding metric will be zero.
- If the objectives set in the Company's budget for the 2026 financial year are met, the target STIP will be paid according to the payment schedule shown below.
- If the maximum targets are achieved, 100% of the maximum STIP associated with each target will be paid. In any case, the maximum STIP is not to 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 2026 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.

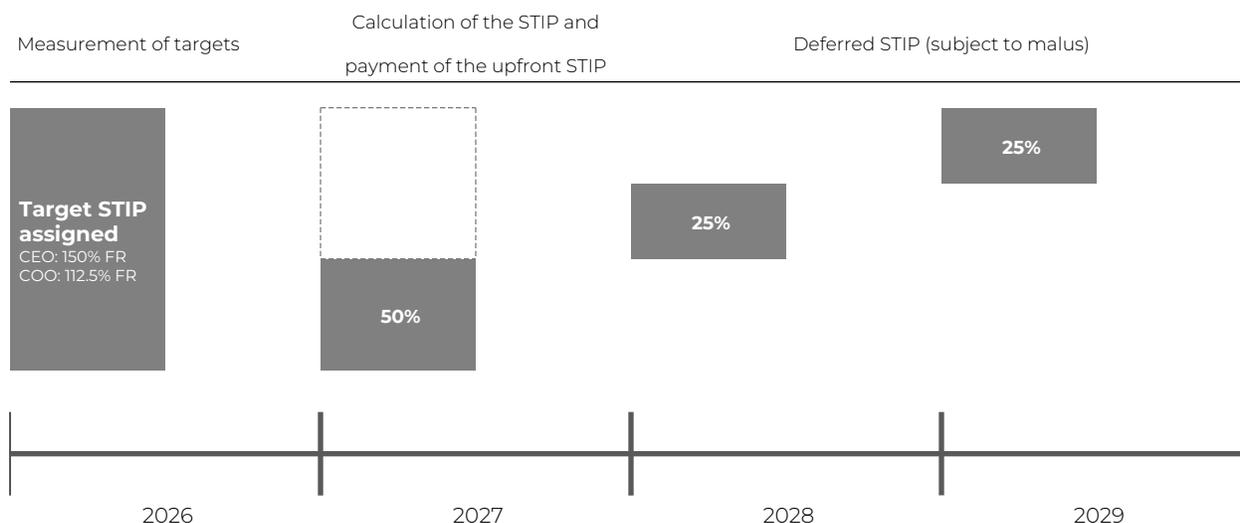
2026 STIP generation and payment schedule

Once the degree of achievement of the targets and final amount to be reached by the 2026 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 2026 (i.e., in the first quarter of 2027).
- (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 3.3 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 and they will be paid the remaining 25% of their STIP remuneration in cash 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").

2026 STIP payment 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 3.3.

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

The Board (at the proposal of the Appointments and Remuneration Committee) submitted a Long-Term Incentive Plan (the 2025-2027 LTIP) to the Annual General Meeting held on 30 April 2025 for approval. The plan was approved with 96% of the votes in favour. This single-cycle Plan will be aimed at the Executive Directors, members of the management team, and other Company employees (the beneficiaries).

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

Amount of LTIP 2025-2027 allocated to the Executive Directors

The 2025-2027 LTIP was established in the form of performance shares and share options.

The value of the Executive Directors' 2025-2027 LTIP is as follows:

	Target (% of Fixed Remuneration)		Maximum (% of Fixed Remuneration)	
	Annualised	Total 3 years	Annualised	Total 3 years
CEO	133%	400%	200%	600%
COO	100%	300%	150%	450%

Specifically, the maximum number of shares allocated to each of the Executive Directors will be:

- For the CEO, the benchmark amount for determining the maximum number of shares and share option entitlements is an annualised 200% of his Fixed Remuneration. Two-thirds of the CEO's LTIP has been allocated in the form of 432,220 ordinary shares in the Company (performance shares), which will be distributed until the payout ratio reaches the target level set, and one-third in the form of 866,142 share options, which will be allocated if the payout level is between the target level and the maximum level.
- At most, the CEO could receive 747,279 ordinary shares (if the value of the options exceeds the value of that number of shares on the exercise date; any difference would be paid in cash).
- For the COO, the benchmark amount for determining the maximum number of shares and share option entitlements is an annualised 150% of his Fixed Remuneration. Two-thirds of the COO's LTIP has been allocated in the form of 324,165 ordinary shares in the Company (performance shares), which will be distributed until the payout ratio reaches the target level set, and one-third in the form of 649,606 share options, which will be allocated if the payout level is between the target level and the maximum level.

At most, the COO could receive 560,459 ordinary shares (if the value of the options exceeds the value of that number of shares on the exercise date; any difference would be paid in cash).

Metrics

Metrics	Definition	Weighting
Absolute Total Shareholder Return (TSR)	This is defined as the return per share taking into account the cumulative change in the Company's share price, including dividends and other similar benefits received by shareholders in 2025-2027.	40%
EPRA NTA per share on 31 December 2027 + Dividends per share (2025-2027)	The EPRA NTA is calculated based on the Company's consolidated equity and by adjusting certain items according to EPRA recommendations (including the value of assets on the market but excluding certain items that are not expected to result in sustained property rental business). EPRA NTA assumes that the companies buy and sell assets, so crystallising certain levels of deferred tax liabilities. Under the Plan the EPRA NTA as at 31 December 2027, as published in Merlin's consolidated annual financial statement, will be considered together with the dividends paid per share and other similar benefits received by shareholders during the target measurement period (2025-2027).	25%
Data Centres – MW available for lease on 31 December 2027	MW at outfitted Data Centres with electric power supply equipment installed rented or available for rent on 31 December 2027.	10%
Data Centres – Gross Rental Income (GRI) on 31 December 2027	Annualised gross income from the Data Centre business in December 2027.	10%
Data Centres – EBITDA on 31 December 2027	Annualised EBITDA from the Data Centre business in December 2027.	10%
Net carbon emissions	Level of reduction of MERLIN's scope 1+2 CO ₂ emissions as at 31 December 2027 compared to 31 December 2024, calculated for the like-for-like asset portfolio under the Company's operational control (scope of MERLIN's progress towards net zero emissions).	5%
		100 %

Scales of achievement and evaluation of targets

At the proposal of the Appointments and Remuneration Committee, the Board will determine a performance scale for each metric that includes a minimum performance threshold. Below that threshold, no incentive is paid, while achieving that threshold gives entitlement to the minimum incentive linked to that metric. Achievement of the above targets as measured by the preceding metrics specified by the Board gives entitlement to the target LTIP allocated to each metric. The maximum incentive allocated for each metric will be paid in the event of maximum achievement of the targets.

The Appointments and Remuneration Committee monitors the targets annually and determines level of achievement after the measurement period has ended. In this assessment work, the Appointments and Remuneration Committee will have the support of the Audit and Control Committee and the Sustainability and Innovation Committee. Both in setting the targets and evaluating their achievement, the Appointments and Remuneration Committee will also consider any associated 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 target measurement period began on 1 January 2025 and will end on 31 December 2027.

If the objectives have been met, percentage performance will be determined in 2028 after the accounts for 2027 have been audited and the financial statement drawn up, and the number of shares to which each beneficiary is entitled under the performance share plan will be distributed according to the degree

of performance up to the authorised maximum limit. Share options will be settled by differences (or in the manner decided by the Board from time to time) during the exercise windows in 2028, 2029, and 2030. In this regard, an annual window has been established, specifically in the month of November. Executive directors must notify the Company at least thirty (30) business days in advance of the chosen exercise date of their intention to exercise stock options. If exercised, on each of these dates a minimum of 25% of the stock options granted under the LTIP must be exercised.

All shares delivered to the Executive Directors under the LTIP will be subject to a retention period of 2 years from the distribution date.

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 550,000), 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).

Remuneration in 2026 will therefore amount to:

Fixed annual remuneration	Chair	Director	Lead Independent Director
Board of Directors	EUR 450,000	EUR 100,000	EUR 35,000
Planning and Coordination Committee	EUR 10,000	EUR 20,000	-
Audit and Control Committee	EUR 10,000	EUR 35,000	-
Appointments and Remuneration Committee	EUR 10,000	EUR 30,000	-
Sustainability and Innovation Committee	EUR 10,000	EUR 20,000	-

Additionally, with the exception of the Chair, External Directors are paid a per diem allowance of EUR 2,000 for each Board meeting they attend.

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 Policy	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 under its own separate agenda item.
External director remuneration	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.
Executive Director Remuneration	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
External director remuneration	The ARC may propose certain changes to the amounts of fixed allocations and/or subsistence allowances to the General Meeting within the annual cap approved by the Board.		Where appropriate, approves the ARC's proposals regarding the remuneration elements and the corresponding amounts.	
Executive Director Remuneration	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 the terms of the Remuneration Policy. Verifies that the Remuneration Policy is properly applied and that no payments not included under the policy are made.	Audit and Control Committee: Analyses the accounting aspects of the STIP and the LTIP. Sustainability and Innovation Committee: Reviews the sustainability metrics established in the STIP and LTIP.	Approves the individual remuneration for Executive Directors within the limits set in the Remuneration Policy.	Approves, in an advisory role, the ADRR, which includes details on the remuneration accrued during the year.

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 Towers Watson (WTW).

5. WORK PERFORMED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE

Introduction:

Appointment and remuneration duties continued to be combined under a single committee in 2025. The Company is aware of the recommendation for separation under two committees, but it has decided to keep them together in view of the Company's small number of employees. That decision allows much more operational and coordinated functioning with the Company's other committees in all respects.

The structure and purview of the Appointments and Remuneration Committee of MERLIN Properties are set forth in the Company's Articles of Association and in the Appointments and Remuneration Committee Regulations.

Composition:

When 2025 started the Committee had seven (7) members, but on 30 April 2025, following resignation from the Committee of Ms. María Luisa Jordá Castro, the number of members dropped to six (6), and subsequently, on 19 June 2025, a further member, Mr. Donald Johnston, also resigned from the Committee. Therefore, the Committee currently has five (5) members and there is one vacancy on the Committee.

Name	Position	Category	Date of appointment/ reappointment	End of term
Ms. Inès Archer-Toper	Chair	Independent	9/5/2024	-
Ms. M^a Luisa Jordá Castro	Member	Independent	-	30/04/2025
Ms. Julia Bayón Pedraza	Member	Proprietary	9/5/2024	-
Fernando Ortiz Vaamonde	Member	Independent	26/01/2022	-
Ms. Pilar Cavero Mestre	Member	Independent	27/04/2023	-
Juan María Aguirre Gonzalo	Member	Independent	27/04/2023	-
Donald Johnston	Member	Independent	-	19/06/2025

The appointments of the five (5) current Committee members were ratified by the Board on 19 June 2025.

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:

The Appointments and Remuneration Committee met 18 times in 2025 (namely, on 9 January, 15 January, 22 January, 30 January, 10 February, 13 February, 19 February, 24 February, 23 March, 26 March, 28 March, 30 April, 9 May, 28 May, 13 June, 24 July, 13 November, and 19 December). All the meetings were attended in person or remotely, except for the meetings held on 28 March and 13 June 2025, which were held in writing without a session. 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.

The following table gives the percentage of attendance of the Appointments and Remuneration Committee members as at 31 December 2026:

Name	Position	% attendance
Ms. Inès Archer-Toper	Chair	100%
Ms. Julia Bayón Pedraza	Member	100%
Fernando Ortiz Vaamonde	Member	94.4%
Ms. Pilar Cavero Mestre	Member	100%
Juan María Aguirre Gonzalo	Member	100%

Committee actions in 2025:

Regarding remuneration:

- (i) Reviewing and supervising the degree of achievement of the 2024 STIP to determine the variable remuneration for 2024, proposing to the Board the amounts payable to the beneficiaries, particularly in reference to the executive directors and the management team;
- (ii) Reviewing the level of achievement of the 2022-2024 LTIP and submitting a settlement proposal, individually confirming the beneficiaries and resolving to proceed with treasury shares;
- (iii) Monitoring and reporting on the 2024 ADRR;
- (iv) Defining the 2025 STIP targets, metrics, and thresholds for the executive directors and management team, combining financial and non-financial objectives and incorporating specific ESG and Data Centre business metrics;
- (v) Designing, advised by WTW, the new 2025-2027 LTIP, setting its structure, objectives, and performance scales, paying particular attention to alignment with shareholder value, integration of Data Centre and ESG metrics, and retention of cost caps and safeguards;
- (vi) Proposing adjustments to Executive Director remuneration for 2025 to the Board, including updating the fixed remuneration and the short and long-term variable remuneration maximums in accordance with market practice and the balance of the remuneration package for the cycle;
- (vii) Follow-up with WTW on the various short and long-term remuneration proposals for the executive directors and the management team weighing the demands, retention, and costs and considering the strategic nature of the Data Centre business;

- (viii) Reviewing the market suitability of the remuneration scheme for the non-executive directors and committee members, proposing selective adjustments to adequately reflect services rendered and responsibilities;
- (ix) Putting forward and issuing a favourable report on the 2025-2028 Board Remuneration Policy as the framework for the cycle and proposing submission to the general meeting; and
- (x) Establishing the basic framework for the variable component for the remaining staff, keeping the structure of the STIP and LTIP maximums to ensure cost control, internal consistency, and transparency.

Regarding governance:

- (i) Concluding the self-assessment procedure for the Board, its officers, and committees for 2024 and discussing proposals for improvement measures and drawing up a plan for implementation and proposal to the Board;
- (ii) Overseeing the Annual Corporate Governance Report (ACGR) for 2024 and reporting on the aspects within its purview;
- (iii) Initiating the self-assessment process for the Board, its officers, and committees for 2025 and approving the forms and timetable;
- (iv) Reviewing and proposing amendments to the Planning and Coordination Committee Regulations to decrease the number of members and to allow the Chair to be the lead director;
- (v) Reviewing and revising the 2025-2027 LTIP Rules to cut back references to the possibility that the Board could unilaterally change the contents of the plan;
- (vi) Ensuring that directors (executive and non-executive) are adequately informed concerning the new remuneration framework and incentive plans while preserving the Committee's independence and transparency of the process;
- (vii) Drawing up the new 2025-2028 Remuneration Policy and submitting it to the Board for approval and separately submitting the 2025-2027 LTIP to the General Meeting; and
- (viii) Maintaining the questionnaire used by directors to periodically report litigation and other matters that could bear on the Company's reputation.

Regarding appointments:

- (i) Evaluating the composition of the Board of Directors and preparing proposals for the appointment, reappointment, or ratification of directors by the 2025 Annual General Meeting and preparing the proposals and reports required for that purpose, including the impact of the resignation of an independent director and handling vacancies caused by deaths;
- (ii) Reporting on the proposed replacement of a proprietary director at the proposal of one of the significant shareholders, assessing the suitability of the candidate, the supporting documents, and the effects on the composition of the Board and committees;
- (iii) Proposing the refreshment of Committees following the departures, including appointing new chairs and updating internal regulations and best practice; and
- (iv) Coordinating, with the Board Chair, the start of the review of profile criteria and planning 2026 appointments (expiry of the terms of several independent directors), drawing up the timetable and criteria.

Other duties of the Committee:

- (i) Report on the sections of the 2024 Statement of Non-Financial Information (SNFI) falling within its purview;
- (ii) Approve the Committee's Activities Report for 2025; and
- (iii) Drawing up the content of meeting agendas for the following year.

Committee action plan for 2026:

The Committee's action plan for 2026 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 2026:

- (i) Reviewing the composition of the Board of Directors and its committees and conducting the requisite selection and succession procedures, in particular bearing in mind that several independent directors are completing 12 years as directors in 2026 and the vacancies that have occurred, to ensure diversity, a suitable mix of qualifications, and continuity of the chairs;
- (ii) Promoting the presence of additional women on the management team and in the leadership pipeline in line with parity regulations and strengthening the diversity criteria used for selection, promotion, and succession;
- (iii) Supporting, promoting, and helping to draw up the 2025 SNFI on matters within the Committee's purview, coordinating with the other committees involved;
- (iv) Reviewing and reporting on the degree of compliance with the 2025 STIP targets for the executive directors and the management team and proposing the resulting remuneration as appropriate;
- (v) Reviewing and reporting on the degree of compliance the current LTIP targets in 2025 and monitoring proper implementation;
- (vi) Proposing the targets, metrics, and weights for the 2026 STIP for the executive directors and the management team to ensure budgetary and strategic alignment, including developing the Data Centre business;
- (vii) Propose the basic lines, including the maximum amounts, of the current variable remuneration applicable to the remainder of the staff in 2026;
- (viii) Supervising, together with the other committees, the good governance measures to be put forward in consonance with the corporate structure, promoting remuneration systems capable of attracting, retaining, and providing incentives for talent;
- (ix) Coordinating the Board's training plan for 2026 with a focus on the Data Centre business, sustainability, risk management, and corporate governance; and
- (x) Conducting the annual self-assessment procedure for the Board, its officers, and committees in 2025 and propose improvement measures for implementation in 2026, carrying out the Committee's tasks in a timely manner and submitting the necessary reports and proposals to the Board.

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 is composed of five members, one of whom is also a member of the Audit and Control Committee. Shared membership on both these committees ensures that the risks associated with remuneration are taken into account in the deliberations of those committees and in their proposals to the Board, both when determining and evaluating the STIP and the LTIP. In addition, two Appointments and Remuneration Committee members are also members of the Sustainability and Innovation Committee, enabling the remuneration system to be designed having in mind the implications it could have in terms of 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 10% of the 2025 STIP was linked to advances that had been made in the sustainability strategy, namely, in the reduction of CO2 emissions per m2. The 2026 STIP retains this target with the same weight.

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

Comments on Table C.2: