

**INMOBILIARIA COLONIAL, SOCIMI, S.A.****ORDINARY GENERAL MEETING OF SHAREHOLDERS (JUNE 2022)****REPORT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE PROPOSAL TO AMEND THE DIRECTORS' REMUNERATION POLICY (ITEM EIGHT ON THE AGENDA).****1. Purpose of the report**

This report has been drawn up by the Appointments and Remuneration Committee of Inmobiliaria Colonial, SOCIMI, S.A. ("**Colonial**" or the "**Company**") and concerns the amendments to the Directors' Remuneration Policy approved at the Company's General Meeting of Shareholders on 30 June 2021 (the "**Remuneration Policy**").

Pursuant to Article 529 novodecies of the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July 2010 (the "**Companies Act**"), a specific report drawn up by the Appointments and Remuneration Committee must be attached and made available to the shareholders on the Company website, together with all other relevant documents, when the General Meeting is called. To that end, the Appointments and Remuneration Committee has drawn up this explanatory report (the "**Report**").

**2. Aim of the amendments to the Remuneration Policy**

The amendments to the Remuneration Policy aim to change the maximum aggregate annual remuneration to be paid to all Directors for their role as such stipulated in the Remuneration Policy, which shall henceforth be €2.5 million. Notwithstanding the foregoing, and as envisaged in the Remuneration Policy, this amount may be increased by 10 % for every new member joining the Board of Directors when this involves increasing the current number of Board members.

In this regard, as reported to the market through the "other significant information" announcement (No. 14657), the Company's Board of Directors agreed that the Chairman of the Company's Board of Directors would cease his executive functions and continue as non-executive Chairman under the "other external" status, and the Independent Lead Director position would be eliminated. These resolutions were to come into force on 30 April 2022. In view of the above, as of 1 May 2022: (i) the remuneration paid to Mr Juan José Brugera Clavero is part of the annual aggregate remuneration to be paid to all Directors for their role as such, eliminating any other retributions he may have been entitled to as Executive Director; and (ii) Mr Luis Maluquer Trepas no longer receives remuneration for his role as Independent Lead Director.

In particular, as of 1 May 2022, the Chairman of the Board of Directors will receive a fixed annual remuneration of €500,000, and €50,000 as a Board member (both amounts will be prorated in 2022 for the months he holds the position of non-executive Chairman), as well as €7,500 as attendance fees to Board meetings.

In this regard, as a result of the above-mentioned cessation, the Chairman of the Board of Directors has ceased to participate in the variable remuneration schemes and is no longer a beneficiary of any long-term incentive plans or the social benefit scheme.

In addition, the Independent Lead Director was receiving €75,000 for the performance of his duties. However, as the Chairman ceased to have executive functions on 30 April 2022, the role of

Independent Lead Director ceased to exist as of that date, and the Independent Lead Director ceased to be paid for such role.

Therefore, as of 1 May 2022 the distribution of the fixed annual remuneration and fees for being a member of the Board of Directors and its Committees and attending their meetings is as follows:

		Member	Chairman	Other offices
<b>Board of Directors</b>	Fixed annual remuneration	€50,000	500,000 %	--
	Attendance fees per meeting	€5,000	€7,500	--
<b>Executive Committee</b>	Attendance fees per meeting	€3,000	--	--
<b>Appointments and Remuneration Committee</b>	Fixed annual remuneration	€25,000	€50,000	--
	Attendance fees per meeting	€3,000	€4,800	--
<b>Audit and Control Committee</b>	Fixed annual remuneration	€25,000	€50,000	--
	Attendance fees per meeting	€3,000	€4,800	--
<b>Sustainability Committee</b>	Attendance fees per meeting	€3,000	€4,800	--

### 3. Process for determining the amendments to the Remuneration Policy

Pursuant to the provisions of the applicable regulations and the Company's corporate governance documents, the Appointments and Remuneration Committee is the body in charge of submitting proposals to the Board of Directors concerning the Directors' Remuneration Policy, as well as individual remunerations and other contractual terms applicable to executive Directors, ensuring that they are complied with, and proposing any amendments it may deem advisable.

The Company's Appointments and Remuneration Committee has reviewed the Remuneration Policy in response to the Chairman of the Company's Board of Directors ceasing to hold executive functions as mentioned above and continuing as non-executive Chairman with "other external" status and to the removal of the role of Independent Lead Director. In order to carry out the above-mentioned review, the Appointments and Remuneration Committee has mainly taken into account: (i) the applicable regulations, in particular, the Companies Act; (ii) best practices for good corporate governance, in particular the recommendations of the Code of Good Governance for Listed Companies published by the Spanish Securities Market Commission (CNMV); and (iii) the Company's Bylaws and the Regulations of the Board of Directors.

### 4. Term

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, will submit these amendments to the Remuneration Policy for approval at the next Ordinary General Meeting of Shareholders and, following their approval, the amendments will come into force in 2022. All unamended parts of the current Remuneration Policy will remain in force.

Therefore, the Remuneration Policy will remain in force for 3 years (2021, 2022 and 2023) as resolved at the General Meeting of Shareholders of 30 June 2021, although the Appointments and Remuneration Committee may submit a proposal for a new policy for approval at an earlier date if deemed appropriate.

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The Report was drawn up and approved by the Appointments and Remuneration Committee at its meeting of 4 May 2022.