



REPORT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE ASSESSMENT OF ITS OWN PERFORMANCE IN 2021

1. INTRODUCTION

The Appointments and Remuneration Committee of Inmobiliaria Colonial, SOCIMI, S.A. (“**Colonial**” or the “**Company**”) has issued this report on its structure, organisation and performance, and on the fulfilment of its responsibilities throughout 2021 (the “**Report**”). For the purposes of drawing up this report, the members of the Appointments and Remuneration Committee were sent a questionnaire about its structure, organisation and performance and the fulfilment of its responsibilities. The methodology of the report was reviewed by the external expert Spencer Stuart, and it was answered by the members of the Appointments and Remuneration Committee.

The report will be submitted to the Board of Directors of the Company, which will be the body entrusted with assessing the performance of the Appointments and Remuneration Committee (the “**Committee**”) pursuant to Article 35 of the Regulations of the Board of Directors.

2. CONCLUSIONS DRAWN FROM THE ASSESSMENT PROCESS

From the assessment process carried out by the Committee regarding its performance, in general terms, positive conclusions have been drawn, both in relation to its members and internal organization and in the performance of the responsibilities bestowed upon it.

2.1 Committee Composition

The Committee is made up of 5 members, thereby complying with the maximum and minimum limits required by Article 33 of the Regulations of the Board of Directors, which establishes that the Committee must be made up of at least 3 Directors but no more than 8.

All the members of the Committee are non-executive Directors, including two proprietary Directors and three independent Directors. Furthermore, the Committee is chaired by an independent Director, Ms Ana Bolado Valle. Article 33 of the Regulations of the Board of Directors has therefore been complied with.

The current members of the Company Committee are as follows:

<u>Name/Company name</u>	<u>Position</u>	<u>Category</u>
Ana Bolado Valle	Chairwoman	Independent
Adnane Mousannif	Member	Proprietary
Juan Carlos García Cañizares	Member	Proprietary
Luis Maluquer Trepas	Member	Independent
Silvia Mónica Alonso-Castrillo Allain	Member	Independent

Committee members have the knowledge, skills and experience necessary for the performance of the Committee’s duties. The Directors’ academic and professional profiles are available on the Company website.

On the basis of this, it can be concluded that the Committee is duly organized and made up of directors who have the skills and qualifications required for their roles.

2.2 Committee Functioning

In 2021, the Committee met on 9 occasions. The meetings were held on the following dates: 14 January, 17 and 23 February, 6 April, 5 May, 21 June, 5 October, 10 November and 14 December.

In view of the special circumstances brought about by the COVID-19 health crisis in 2021, Committee meetings were attended by all members of the Committee by conference call or video conference using IT applications such as Teams, in accordance with the Company's internal rules and with the measures adopted by *Royal Decree-Law 34/2020 of 17 November, on urgent measures for the support of business solvency and the energy sector and on taxation*. At each of the aforementioned meetings, the Secretary acknowledged the identity of all present members of the Committee.

Consequently, the Appointments and Remuneration Committee fulfilled its obligation to meet with the regularity required to carry out its functions in an effective manner.

Regarding the preparation and running of the meetings, the Chair of the Committee calls meetings with sufficient notice, which are attended regularly by the Directors. In accordance with Article 33 of the Regulations of the Board of Directors, in the event that any Committee members are unable to attend for justified reasons, they may delegate their vote to another member, providing instructions to their chosen representative. Thus, in 2021 all members of the Committee attended 100 % of meetings either in person or online.

Additionally, prior to each meeting, the members of the Committee were provided with the information on the agenda, thereby encouraging them to participate actively and to reach informed agreements.

In addition to the members of the Committee, meetings were also attended as guests by, among others, the CEO and the Head of Human Resources and General Services of the Company, as well as Ms Cristina Martín and Mr Juan Guerrero, representatives of Willis Towers Watson (the latter only attended the meetings of 17 February, 5 May and 21 June).

Finally, it must be stipulated that the Secretary recorded the minutes of all the meetings held, setting out the proceedings, contents, deliberations and agreements adopted. The minutes of the Committee meetings were given to all members of the Committee and are available to all Directors.

Accordingly, it is hereby concluded that the Committee complies with the operating rules set out in the Bylaws and in the Regulations of the Board of Directors, and organizes itself in a correct and efficient manner for the performance of its duties and the ultimate attainment of its ends.

2.3 Committee Competencies

The Committee efficiently fulfills the duties it has been entrusted with in accordance with Article 33 of the Regulations of the Board of Directors. In this regard, throughout 2021 the Committee carried out the functions described below, among others, taking into account the special circumstances of the global health and economic crisis caused by COVID-19 and the consequent extraordinary measures adopted by the Spanish Government and the Autonomous Communities:

A) Ordinary Management

- Coordinating and submitting to the Board its assessment reports in relation to the Board of Directors and the Committee and the performance of the Chairman of the Board, the CEO and the Secretary of the Board, with the advice of Spencer Stuart, as well as all the recommendations and suggestions for improvements made by the directors in the assessment forms.
- Refocusing the directors' refresher and training plan. Training/Refresher courses for directors covering the following matters were held during the year: (i) new models and trends in ESG-related construction processes; (ii) the reform made by Law 5/2021 of 12 April, amending the consolidated text of the Spanish Limited Liability Companies Law; (iii) new NAV calculation formulas according to EPRA; (iv) the situation of the real estate market; and (v) the current macroeconomic situation.
- Examining the qualifications of the members of the Board of Directors in accordance with their corporate documents, the Spanish Limited Liability Companies Law and the corporate governance recommendations.
- Sending the proposed schedule for the Committee's annual meetings to all the directors.
- Proposing to the Board of Directors the appointment of Ms Ana Bolado Valle as member of the Audit and Control Committee.

B) Corporate Governance

- Analysing the degree of compliance with corporate governance recommendations in accordance with the Annual Corporate Governance Report.
- Reviewing the succession plan for the Chairman of the Board of Directors and the CEO, and starting to analyse the process for replacing the executive chairmanship of the Board with a non-executive chairmanship.
- Analysing and, if appropriate, drawing up, a competency matrix of the members of the Board of Directors that is included in the corporate social responsibility report.
- Taking note, with no objections, of the amendments to the Company Bylaws and the Regulations of the Board of Directors proposed by the Audit and Control Committee to adapt the relevant articles to the new wording of the Spanish Limited Liability Companies Law, as well as taking note of the Company's Equality Plan.

C) Remuneration matters

- Issuing a favourable report and proposing to the Board of Directors the approval of the Annual Report on the Directors' Remuneration.
- Analysing and discussing, with Willis Towers' advice, and finally proposing to the Board of Directors, a new remuneration policy for directors for the years 2021-2023.
- Analysing, discussing and amending the 2021 variable remuneration targets to assess the performance of the Management Committee.
- Proposing, based on the achievement of the indicators and certain milestones, the number of shares to be allocated to the beneficiaries of the share allocation plan approved at the General Meeting of Shareholders on 21 January 2014.

- Ensuring that the remuneration policy finally established by the Company was being observed and, in particular, tabled a proposal to the Board of Directors concerning variable compensation for the Chairman and CEO.
- Issuing a favourable report on the fixed and variable remuneration of the Company's management team as proposed by the CEO.
- Proposing to the Board of Directors, with Willis Towers' advice, a new long-term incentive plan repealing the existing long-term incentive plan approved at the General Meeting of Shareholders of 21 January 2014, to be subsequently submitted for approval to the Ordinary General Meeting of Shareholders of the Company. As well as reporting favourably on the Regulations of the Company's Long-Term Incentive Plan for approval by the Board of Directors.
- Reporting favourably on the Chairman, the CEO, the Corporate General Manager and the management team's contracts.

In accordance with all the above, it may be concluded that the Committee efficiently undertakes and fulfils the responsibilities assigned to it by the applicable regulations and by the Company's corporate documents.

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