

# ANNUAL REPORT ON THE DIRECTORS' REMUNERATION

**Inmobiliaria Colonial, SOCIMI, S.A.**

**31/12/2023**





## INTRODUCTION

This Annual Report on the Directors' Remuneration (the "Report") includes the **Directors' Remuneration Policy** of Inmobiliaria Colonial, SOCIMI, S.A., (hereinafter referred to either as "Colonial", the "Company" and, along with its subsidiaries, as the "Group") to be applied in the current financial year **2024**, approved by the General Shareholders' Meeting held on 15 June 2023, and the one **applied** in the financial year **2023**, approved by the General Shareholders' Meeting held on 30 June 2021 later amended by the General Shareholders' Meeting held on 21 June 2022.

This Report has been drawn up in a **freely designed format** in accordance with the regulatory authorisation contained in Circular 4/2013, although its contents observe the minimum standards established in the applicable regulations and is accompanied by the standard statistical Appendix.

Colonial's Board of Directors approved this Report for 2023 at its meeting held on 29 February 2024, according to a proposal submitted by the Nomination and Remuneration Committee (hereinafter referred to either as the "Nomination and Remuneration Committee" or the "Committee"), and in accordance with the applicable regulations. It will be submitted to the **next Ordinary General Shareholders' Meeting**, as a separate item on the agenda, for an **advisory vote**.

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# 1. LETTER FROM THE CHAIR OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear stakeholders,

I am pleased to address you as Chair of Colonial's Nomination and Remuneration Committee to present the Annual Report on the Directors' Remuneration for the financial year 2023.

This Report includes the Directors' Remuneration Policy for the current financial year 2024 (hereinafter referred to as either the "Policy" or the "Remuneration Policy"), and that applied for the closed financial year 2023.

## The 2023 General Shareholders' Meeting

The General Shareholders' Meeting held in 2023 approved the 2024-2026 Directors' Remuneration Policy and the Annual Report on the Directors' Remuneration for the financial year 2022 (advisory vote) with 80.92% and 71.94% of votes in favour, respectively.

Both in 2021 and 2023, the Nomination and Remuneration Committee conducted an **in-depth review of the Directors' Remuneration Policy** to further align with Colonial's strategic priorities, the recommendations of the major shareholders and proxy advisors and with market practice.

Also in 2023, Colonial launched a **consultation process with proxy advisors and institutional shareholders** for the purpose of actively listening to them and obtaining their comments and suggestions about the Directors' Remuneration Policy and the Annual Report on the Directors' Remuneration. In this process, improvement of the transparency related to pay-for-performance was mainly identified as an action plan.

As a result, at its meeting held on 17 October 2023, the Committee agreed to **review the structure and contents of the Report** to provide clearer and more complete information to the various stakeholders, particularly on issues relating to the **pay for performance** principle. In this respect, this Report provides the following:

- An **overall vision as well as by remuneration component** of the Remuneration Policy determined for 2024 and the one applied in 2023, specifying the weightings of the various components in the total remuneration in addition to the amounts.
- Development in more **detail of the achievement level of the objectives** related to the Executive Director's **variable remuneration** and the relevant **payout level**.
- Information about the **peer groups** used to determine the Executive Director's remuneration.

The Statistics of the Annual Report on the Directors' Remuneration are included in the last section of this Report (Appendix II), fulfilled according to the provisions in Circular 3/2021, of September 28, of the CNMV.

## Outcomes and remuneration accrued in 2023 by the Chief Executive Officer ("CEO")

The real state market in 2023 has continued to be significantly and negatively affected by the consequences in the macroeconomic environment resulting from the onset of geopolitical conflicts in 2022, including high inflation and rising interest rates. In this context, Colonial's results are excellent. Recurring net profit has increased by +7.3% vs. 2022, based on solid like-for-like revenue growth of +7.7%. Efficient cost management resulted in recurring EBITDA growth of +11.6% year-on-year leading to a +7.3% increase in recurring net earnings per share.

The Total Shareholder Return (TSR) of Colonial in 2023 was 13.9%.

Colonial has confirmed its leadership in sustainability, in particular, the sustainable management of its asset portfolio making progress with its track record of carbon neutrality.

Based on the previous results:

- The annual bonus of the Chief Executive Officer for the financial year 2023 amounts to 940,500 euros, equivalent to 125.4% of his base salary and **93.8% of the maximum opportunity**.
- The incentive accrued by the Chief Executive Officer in 2023 corresponding to the first 2021-2023 cycle of the Long-Term Incentive Plan amounts to 48,390 shares, equivalent to **15.8% of the maximum incentive**. **This result shows the flexibility of the variable remuneration and the alignment between the shareholders' experience and the Chief Executive Officer's remuneration.**

## The Remuneration Policy in 2024

- To propose the Remuneration Policy for the period 2024-2026, in 2023 Colonial's Nomination and Remuneration Committee carried out a process of reflection in which it considered the following series of internal and external factors.
  - Regarding the Chief Executive Officer, the Committee conducted an in-depth analysis of all his remuneration components and assessed the need to retain and motivate the Executive Director in a complicated context, with an assessment of his performance in recent years, maintaining his total target remuneration the same from 2021 to 2023 and its greater leverage in the variable remuneration vs. peer companies.

As a result of this, the Committee proposed 800,000 euros for his **base salary** as of the time the Policy comes into force, which implies an **increase** of 6.7%, **lower** than the **average increase** in remuneration of Colonial's **employees** over the last 3 years. The Committee is finalising the design of the **new Long-Term Incentive Plan** that will be submitted for approval to the Board of Directors and subsequently to the General Shareholders' Meeting as a separate agreement from the Agenda. In case of approval, it will be implemented in 2024.

The **Policy** for the amounts and design of the rest of the remuneration components is consistent with that approved by the General Shareholders' Meeting held on 30 June 2021, since the latter already **included the recommendations of the main shareholders, proxy advisors and practices in the European real estate sector**.

- Regarding the **Directors in their capacity as such**, it was agreed to **reduce the maximum amount** of the annual remuneration for all Colonial's Directors in respect of their membership of the Company's Board of Directors and its committees to 2,700,000 euros.

I would like to conclude this letter by thanking the members of the Committee and all those who have collaborated with this Committee for their commitment and support. Specifically, I would like to thank Mr. Adnane Mousannif, who was a member of the Committee until 18 October 2023, for his dedication and contribution over the years.

Lastly, I would like to express my appreciation for the recommendations and suggestions received from our shareholders and proxy advisors in our consultation process.

Signed: Ana Bolado Valle

Links to the Remuneration Policy:

- 2021-2023 Policy: [https://www.inmocolonial.com/sites/default/files/uploaded-files/2021-10/19\\_colonial\\_remuneration\\_policy\\_2.pdf](https://www.inmocolonial.com/sites/default/files/uploaded-files/2021-10/19_colonial_remuneration_policy_2.pdf)
- 2024-2026 Policy: [https://www.inmocolonial.com/sites/default/files/uploaded-files/2023-05/21.-COL\\_JGO%202023\\_Directors%E2%80%99%20remuneration%20from%202024%20to%202026\\_ENTR\\_1.pdf](https://www.inmocolonial.com/sites/default/files/uploaded-files/2023-05/21.-COL_JGO%202023_Directors%E2%80%99%20remuneration%20from%202024%20to%202026_ENTR_1.pdf)



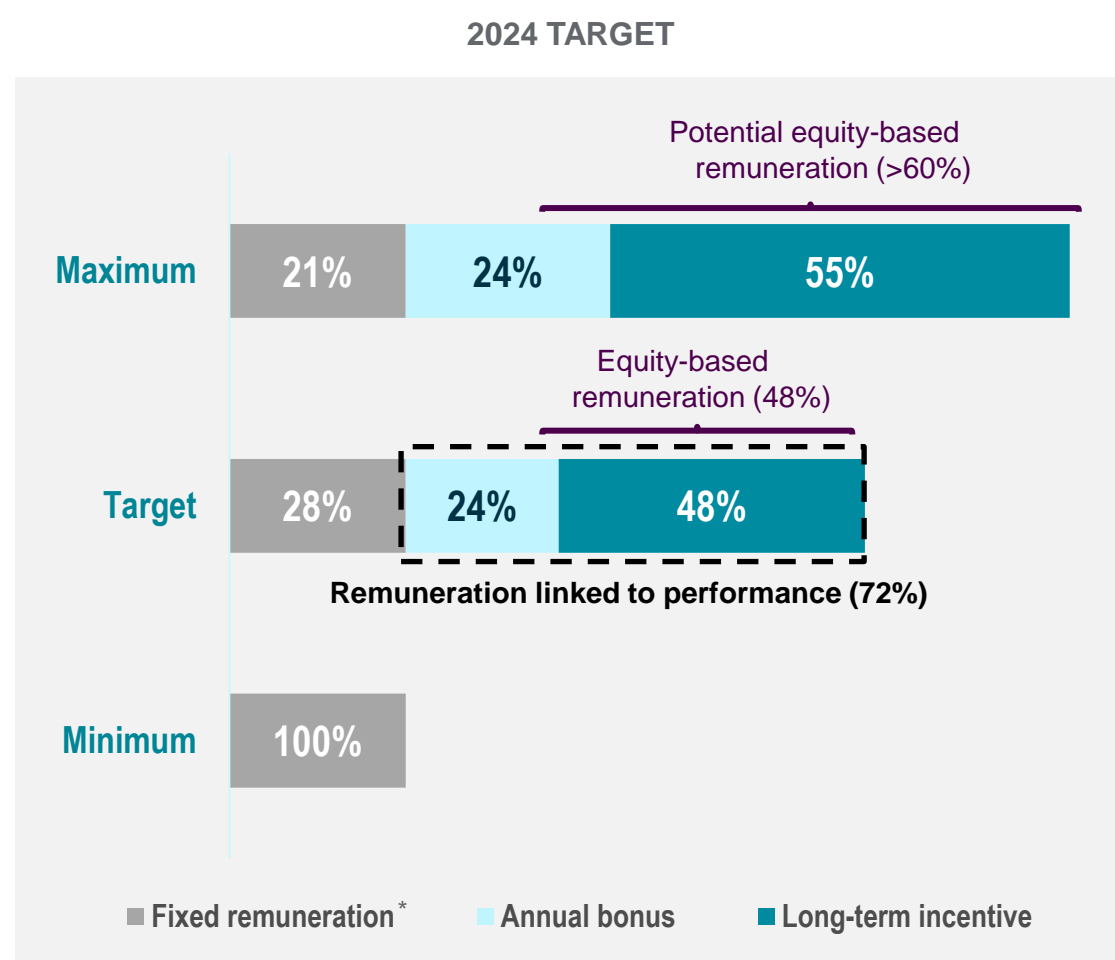
## 2. REMUNERATION AT A GLANCE

### 2.1 FEATURES OF THE CHIEF EXECUTIVE OFFICER'S REMUNERATION:

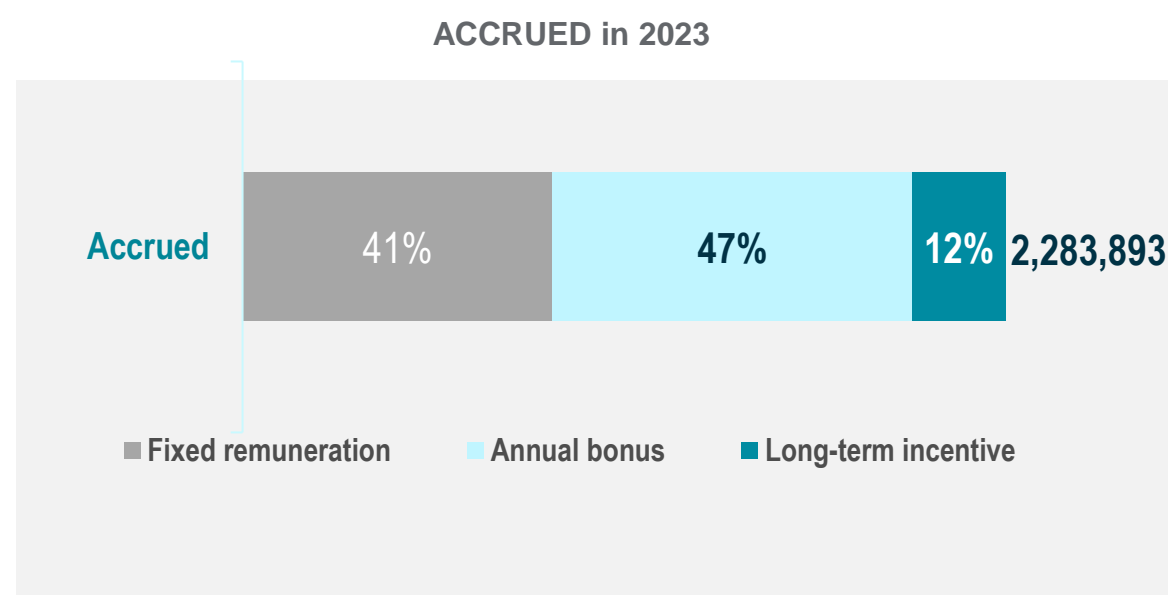
	2024	TARGET Features in 2023 which have been modified in 2024 (or pending to approve in 2024)	ACCRUED 2023
<b>Fixed remuneration</b>			
Base salary	€800,000.	€750,000.	€750,000.
Social welfare plan	15% of the base salary.	No changes.	€112,500.
Remuneration in kind	Maximum amount: €90,000.	Maximum amount: €100,000.	€65,609.
	Opportunity:		
	<ul style="list-style-type: none"> <li>Annual target incentive: 100% of the base salary.</li> <li>Maximum annual incentive: 133.75% of the annual target incentive (150% for earning per share, linked to creation of shareholder value and 125% for the other metrics).</li> </ul>	Opportunity: No changes.	Payout level: €940,500 (125.4% of the base salary and 93.8% of the maximum annual bonus).
	2024 Metrics:		In 2023 the Chief Executive Officer received 21,912 shares corresponding to the deferral of his annual bonus in 2021 for an amount of €130,815 (share price at the date of delivery: €5.97) plus the equivalent amount in cash of €5,259 corresponding to the dividends (€0.24/share) paid out during the deferral period (2022).
<b>Annual bonus</b>	<ul style="list-style-type: none"> <li>80% Economic-financial and value creation: <ul style="list-style-type: none"> <li>30% Net rental income.</li> <li>35% Adjusted earnings per share.</li> <li>15% Loan to value (LTV).</li> </ul> </li> <li>20% Non-financial: <ul style="list-style-type: none"> <li>10% ESG metrics: (i) achieve excellent ratings (3/3) in the GRESB, CPD y Sustainalytics Risk rating indices; and (ii) achieve the decarbonisation and emission reduction plan objectives.</li> <li>10% Assessment of individual performance based on strategic initiatives.</li> </ul> </li> </ul>	2023 Metrics: No changes.	
	Possible deferral of part of the payment of the annual bonus that exceeds the target incentive.	Deferral: No changes.	<a href="#">Details on page 14</a>
		Opportunity:	
		<ul style="list-style-type: none"> <li>Target incentive: 200% of the fixed remuneration.</li> <li>Maximum incentive (share price at grant, excluding the evolution of the share price): 150% of the target incentive (200% for the Total Shareholder Return metrics and 150% for the other metrics).</li> </ul>	
<b>Long-term incentive plan</b>	<ul style="list-style-type: none"> <li>The Board of Directors, upon proposal from the Nomination and Remuneration Committee, plans to submit to the 2024 General Shareholders' Meeting a new Long-Term Incentive Plan, as a separate item on the Agenda. This new Plan is expected to follow a similar design than the previous one. Its details will be included in the agreement that will be made public with the call of the General Shareholders' Meeting, according to the framework set in the Remuneration Policy in force.</li> </ul>	2023-2025 LTI Metrics: <ul style="list-style-type: none"> <li>50% Total Shareholder Return (TSR): 15% relative TSR vs. a peer group and 35% absolute TSR.</li> <li>20% Net tangible assets (NTA) per share: 10% relative NTA and 10% absolute NTA.</li> <li>20% Adjusted earnings per share.</li> <li>10% Progress in the decarbonisation plan and emission reduction.</li> </ul>	Payout level: 48,390 shares (15.8% of the maximum incentive), equivalent to €279,210 (12.1% of the maximum grant value at the beginning of the 2021-2023 LTI)
		Instruments: 100% shares.	<a href="#">Details on page 15</a>
		Performance period: 3 years.	
		Holding period: 1 year.	
<b>Shareholding requirement</b>	2 years of base salary (achieved).	No changes.	

## 2. REMUNERATION AT A GLANCE

### The Chief Executive Officer's pay mix:



\* The "Fixed remuneration" includes the social welfare plan and the maximum amount of remuneration in kind.



- The fixed remuneration include the base salary (750,000 euros), the contribution to the social welfare plan (112,500 euros) and the amount of remuneration in kind (65,609 euros).
- In accordance with the instructions of Circular 3/2021, of September 28, of the CNMV the contribution made to the social welfare system is considered non-consolidated and is included in the tables of Statistical Appendix III of the Annual Report on Directors' Remuneration of listed companies as a long-term savings systems with non-consolidated economic rights. Therefore, the total remuneration accrued in 2023 included in table C.1.c), of Statistical Appendix III amounts to 2,172 thousand euros.
- The annual bonus includes the amount accrued for the 2023 results, the deferred shares corresponding to the 2021 variable remuneration that were consolidated in 2023 (21,912 shares valued at 5,97 euros, share price at the date of delivery 21/3/2023) and 5,259 euros, a cash amount equivalent to the dividends generated during the deferral period (0,24 euros/share in 2022)
- The long-term incentive includes 48,390 shares valued at 5.77 euros, weighted average price of the initial 30 trading sessions of the 2024 financial year.

### Process for determining the Chief Executive Officer's Remuneration Policy in 2024

In the context of preparing the Remuneration Policy for the period 2024-2026, in 2023 Colonial's Nomination and Remuneration Committee carried out a reflection process in which the following factors were considered:

#### Internal factors

- Colonial's strategic priorities in the short and long term, with focus on long-term value creation and sustainability.
- The results achieved by Colonial in recent years.
- Consistency with the remuneration policy of the wider workforce.
- The need to attract, retain and motivate talent a competitive market such as the one in which Colonial operates.
- The Company's corporate governance structure.

#### External factors

- Changes in the macroeconomic environment.
- Recommendations received from the institutional shareholders and proxy advisors.
- The latest regulatory developments applicable to listed companies.
- The market practice of companies relevant to Colonial due to being competitors in terms of business or talent.
- General corporate governance recommendations at a national and international level.

As a result of the conclusions reached in the reflection process, the Committee has proposed the Remuneration Policy to the Board of Directors, which was approved at the General Shareholders' Meeting in 2023 and is a continuation of the one approved by the General Shareholders' Meeting held on 30 June 2021, since the latter already included the recommendations of the main shareholders, proxy advisors and practices in the European real estate sector.

- In relation to the Executive Director, the Committee analysed in depth all the remuneration elements to assess a possible repositioning both in terms of amount and pay mix. Throughout this analysis, the Committee has considered a holistic and strategic approach, specifically examining the following factors:
  - The need to retain and motivate the Executive Director in a complex context such as that of recent years (among others, pandemic, inflation, rising interest rates, Colonial's publish offering of SFL shares), where his leadership has enabled the Company to obtain positive results.
  - The unchanged amounts of fixed remuneration, annual bonus and long-term incentives for the Executive Director during the term of the policy. At the same time, the positive evolution of the remuneration of Colonial's wider workforce over the last 3 year has been analysed.
  - The positioning of the Executive Director's target total remuneration vs. comparable companies. In this regard, a group of European REITs, comparable in terms of size by market capitalisation, volume of assets, revenues and number of employees has been considered★.
  - The pay-for-performance principle established in the Remuneration Policy. In this respect, the Executive Director's remuneration package is significantly skewed on the variable remuneration, particularly, to the long-term incentive.

In view of the above, the Committee proposed setting the base salary at 800,000 euros as from the entry into force of this Policy, which represents a 6.7% increase (2.2% in annualised terms since the last increase). This increase is lower than the average increase in the remuneration of Colonial's employees over the last 3 years. On the other hand, the pay mix will remain skewed to variable remuneration (both the annual bonus and the long-term incentive).

★ Peer group (22 companies): Aedifica, Alstria Office, Aroundtown, Befimmo, British Land, Cofinimmo, Covivio, Derwent London, Deutsche Wohnen, Gecina, Great Portland, Hammerson, ICADE, Klépierre, Land Securities, LEG Immobilien, Merlin Properties, PSP Swiss Property, Segro, Unibail-Rodamco, Vonovia and Warehouses De Pauw.



## 2. REMUNERATION AT A GLANCE

### 2.2 FEATURES OF THE REMUNERATION OF THE DIRECTORS IN THEIR CAPACITY AS SUCH:

	POLICY				ACCRUED	
	2024		Changes compared with 2023			2023
Fixed remuneration and attendance fee	Member		Chairman		No changes	Total remuneration accrued in 2023 for all items and for all the Directors: 2,367 thousand euros.
	Fixed remuneration	Attendance fees	Fixed remuneration	Attendance fees		
Board of Directors	€50,000	€5,000	€500,000	€7,500		
Executive Committee	€3,000	--	--	--		
Nomination and Remuneration Committee	€25,000	€3,000	€50,000	€4,800		
Audit and Control Committee	€25,000	€3,000	€50,000	€4,800		
Sustainability Committee	--	€3,000	--	€4,800		

### Process to determine the Remuneration Policy for the Directors in their capacity as such in 2024

As a result of the reflection process carried out by Colonial's Nomination and Remuneration Committee in 2023 to propose the Remuneration Policy for the period 2024-2026, it was agreed to reduce the maximum amount of the annual remuneration for all Colonial's Directors in respect of their membership of the Company's Board of Directors and its Committees, which was determined as 2,700,000 euros. This figure is lower than the one applied in the financial year 2023 after the appointment of two additional Non-Executive Directors by the General Shareholders' Meeting held on 15 June 2023, since the limit of 2,500,000 euros stated in the previous Policy was automatically increased by 10% for each new Director, as stipulated in the Policy, thus becoming a limit of 3,000,000 euros.



## 3. 2024 REMUNERATION POLICY

### 3.1 OUR REMUNERATION PHILOSOPHY

We believe our remuneration philosophy promotes an equitable and well governed, long-term approach to remuneration, including pay-for-performance practices that enables to attract and retain top talent, are responsive to and aligned with shareholders.

Our remuneration philosophy provides the guiding principles that drives remuneration-related decisions across all levels of the Company:

#### PAY-FOR-PERFORMANCE ED

Ensure that the remuneration received by the Executive Director is commensurate with the overall performance of the Company and their individual performance.

In making remuneration-related decisions, we focus on risk-adjusted performance and reward behaviours that generate sustained value for the Company. This means that remuneration should not be overly formulaic, rigid or focused on the short-term.

#### ALIGNMENT WITH STAKEHOLDERS' INTERESTS ED

Align the interests of our Executive Director with our shareholders by linking a significant portion of total remuneration to our overall financial and operating performance and the creation of long-term shareholder value. At-risk remuneration is also based on the achievement of designated environmental, social and governance (ESG) objectives linked to our sustainability strategy.

Decisions on the remuneration for the Executive Director are made with consideration of the interests of the wider workforce and other stakeholders, as well as taking account of the external climate.

#### COMPETITIVENESS ED NED

Our long-term success depends on the talent of our employees. Our remuneration philosophy plays a significant role in our ability to attract, properly motivate and retain top talent.

Market-competitive total remuneration with an appropriate balance of reward and upside opportunity allows us to attract and retain the best talent.

Decisions on the design of the Remuneration Policy takes into consideration the remuneration practices of peer companies based on an objective set of criteria.

#### TRANSPARENCY ED NED

Transparency to shareholders regarding our Remuneration Policy is important. We disclose material terms of our pay plans and any actions on our part in response to significant events.

ED Principles applicable to the Executive Director

NED Principles applicable to the Non-Executive Directors

### 3.2 OUR REMUNERATION PRACTICES BENEFIT OUR SHAREHOLDERS

Our executive Remuneration Policy has strong governance processes that further strengthen our pay-for-performance remuneration philosophy, including the following:

#### WHAT WE DO

- **Pay at risk:** in a scenario where target objectives are achieved, more than 70% of the total remuneration is linked to performance. In a scenario where maximum objectives are achieved, this proportion is around 80% approximately.
- **Long-term equity incentive based on a multi-year performance period:** in a scenario where target objectives are achieved, almost 50% of the total remuneration is linked to long-term financial and non-financial results and is share-based. 50% of the long-term incentive is generated, if applicable, based on achieving objectives linked to creating value for the shareholders. Accrued shares may not be sold until at least one year has elapsed from delivery thereof.
- **Minimum shareholding policy:** the Executive Director is expected to hold Colonial shares worth 2 times his base salary.
- **Proportionality and management of risks:** the Remuneration Policy ensures that the Executive Director has a vested interest in delivering performance over the short and long term. At the same time, it has provisions to mitigate undue risk, including caps on the maximum level of payouts, possible deferral of the portion of the bonus in shares if payout exceeds target, clawback provisions, multiple performance metrics and Board and management processes to identify risk.
- **Robust engagement with shareholders on governance and remuneration.**
- **Malus and clawback clauses.**
- **Retain external advisors.**

#### WHAT WE DON'T DO

- **No contracts with guaranteed salary increases** or non-performance bonus arrangements.
- **No hedging, pledging, short sales or derivative transactions in the Company shares** received during the retention period.
- **Non-Executive Directors** are **not** included in the **remuneration** formulae or systems **linked** to the individual or Company's **performance**. They do not participate in any pension plans or any other welfare systems.
- **No above-market excessive perquisites.**



## 3. 2024 REMUNERATION POLICY

### 3.3 THE REMUNERATION POLICY FOR THE EXECUTIVE DIRECTOR

On the date this Report was drawn up, Colonial's Chief Executive Officer was the only Director with executive duties

#### I. Remuneration elements for performing executive duties: fixed elements

##### Base salary

<b>Purpose</b>	To attract and retain the Executive Director of the calibre required to deliver our strategic goals.
<b>Opportunity</b>	€800,000 in 2024, pursuant to the Remuneration Policy.
<b>Operation</b>	Unlike Non-Executive Directors, the Executive Director does not receive any specific remuneration in respect of his membership of the Company's Board of Directors or its Committees. It is fully paid in cash.

##### Social welfare system

<b>Purpose</b>	To provide competitive post-retirement benefits.
<b>Opportunity</b>	The amount of the annual contribution for the financial year 2024 consists of 15% of the base salary (€120,000).
<b>Operation</b>	The Executive Director is the beneficiary of a defined contribution welfare scheme covering retirement, disability and death. The Executive Director's social welfare system scheme recognises the vesting of financial rights should the professional relationship be terminated prior to the occurrence of the eventualities covered, unless such termination occurs with just cause. Furthermore, this social welfare system is compatible with any severance package that may be applicable.

##### Other benefits

<b>Purpose</b>	To provide market-competitive benefits.
<b>Opportunity</b>	The amount consists of a maximum of €90,000 in the financial year 2024.
<b>Operation</b>	Benefits include mainly provision of welfare and assistance, which are normal practice in the sector, such as Company car, a life insurance policy, family health, disability and accident medical insurance policy. This is aligned with the benefits policy for senior management. The Executive Director (like Non-Executive Directors and other senior officers at the Company) is beneficiary of a group third-party liability insurance policy underwritten by Colonial that covers liability for the actions and conduct of members of the Board of Directors and executives of the Company as a result of the discharge of his duties, and any losses arising from cyber-attacks or failure in cybersecurity.





### 3. 2024 REMUNERATION POLICY

#### 3.3 THE REMUNERATION POLICY FOR THE EXECUTIVE DIRECTOR

##### II. Remuneration elements for performing executive duties: performance-related elements

Annual bonus				
<b>Purpose</b>	To drive and reward performance against annual financial, non-financial and individual objectives, which are consistent with the strategy and aligned to shareholder interests.			
<b>Opportunity</b> (according to the 2024 Policy)	<ul style="list-style-type: none"> <li>• <b>Target</b> (this is achieved for on-target performance): 100% of the base salary.</li> <li>• <b>Maximum</b> (in the event of overachievement): 133.75% of the base salary and target incentive, below the limit stipulated in the Remuneration Policy of 140% of the base salary.</li> </ul>			
<b>Performance metrics</b>	Types of objectives	Weighting	Metrics	Maximum by metric
	80% economic-financial and value creation	30%	Net rentals. The target is set in line with the budget approved by the Board for 2024.	125%
		35%	Adjusted earnings per share. The target is set in line with the budget approved by the Board for 2024.	150%
		15%	Loan to Value (LTV). The target is set in line with the budget approved by the Board for 2024.	125%
	20% Non-financial	10%	Sustainability metrics: (i) maintain excellent ratings (3/3) in the following indices: “5 star” in GRESB, “A” in CPD and 7 rating “negligible” in Sustainalytics Risk. (ii) achieve the decarbonisation and emission reduction plan objectives.	125%
		10%	Assessment with a focus on issues such as innovation, organisation, risk management and corporate reputation.	125%
<b>Operation</b>	<p>At the Board of Directors’ meeting held on 29 February 2024, according to a proposal made by the Nomination and Remuneration Committee, the metrics, weightings and objectives were agreed for 2024 in order to determine the Chief Executive Officer’s annual bonus, pursuant to the criteria and limits stipulated in the Remuneration Policy.</p> <p>Specifically, to propose the calibration of the metrics, the Nomination and Remuneration Committee considered the targets approved in Colonial’s business plan for the financial year 2024:</p> <ul style="list-style-type: none"> <li>• In the event the level of achievement of the metric falls below the minimum threshold, the incentive portion associated with that metric will not be generated.</li> <li>• If the level of achievement of the metric is at the minimum threshold, the payout level will be 50% of the target incentive associated with that metric.</li> <li>• If the level of achievement of the metric is at or above the maximum, the payout level will be 150% if the metric is linked to the adjusted earnings per share, or 125% of the target incentive for all other metrics.</li> </ul> <p>According to a proposal made by the Nomination and Remuneration Committee, the Board of Directors is allowed to adjust the payout level of the annual bonus to ensure that the result is fair and balanced in view of the Company’s overall performance.</p> <p>The evaluation of performance and the determination of payout levels are done based upon the data and the results provided by the management and which are previously audited. In this evaluation, the Committee also considers any associated risks. In this respect, any positive or negative economic effects arising from any extraordinary events which might introduce distortions into the results of the evaluation, may be removed upon proposing the level of achievement of the quantitative objectives.</p> <p>The annual bonus is paid in cash after the end of the financial year to which results is linked. If the earned award exceeds the target bonus, the Board of Director, on the Committee’s proposal, may decide to defer the excess over the target incentive into shares for one year. In this case, the shares will be subject to forfeiture if the Executive Director leaves Colonial Group during the one-year deferral period, except if the Executive Director is granted good leaver status. The Chief Executive Officer will be entitled to receive dividend equivalents on deferred bonus share awards which are generated during the deferral period. These will be paid in cash on the same date the deferred bonus share award is delivered.</p> <p>The Board of Directors, at the proposal of the Nomination and Remuneration Committee, has the discretion to apply malus or clawback to a portion of the entire amount of the annual bonus in the event certain circumstances set forth in the Remuneration Policy arise.</p> <p>In the event of leaving the company with no just cause, the Chief Executive Officer will be entitled to receive the target incentive in proportion to the time he had rendered his services. In the event of termination of his contract with just cause or resignation at his own initiative, as well as in the event of breach of contract related to confidentiality, non-solicitation of services or competition, the Chief Executive Officer will forfeit any right to receive the accrued annual bonus.</p>			

## 3. 2024 REMUNERATION POLICY

### 3.3 THE REMUNERATION POLICY FOR THE EXECUTIVE DIRECTOR

#### III. Remuneration elements for performing executive duties: performance-related elements (cont'd.)

##### Long-term incentive

The Board of Directors, upon proposal from the Nomination and Remuneration Committee, plans to submit to the General Shareholders' Meeting a new Long-Term Incentive Plan, as a separate item on the Agenda. This new Plan is expected to follow a similar design than the previous one. Its details will be included in the agreement that will be made public with the call of the General Shareholders' Meeting, according to the framework set in the Remuneration Policy in force.

Appendix I includes the details of the second Cycle 2022-2024 and third Cycle 2023-2025, in process, of the Long-Term Incentive Plan approved by the General Shareholders' Meeting held on 30 June 2021. In 2023 the first 2021-2023 cycle expired and its details are included in section 4.2.III of this Report.

#### IV. Malus and clawback provisions

The Board of Directors, on the Nomination and Remuneration Committee's proposal shall have the competence to propose to the Board of Directors the cancellation (malus) and/or refund (clawback) of the payment of the annual bonus and/or the long-term incentives in the following events:

- Significant losses and the Committee considers there is reasonable evidence to prove such downturn arises from significant failure of risk management committed by the Company or by a business unit, to which the wilful misconduct or gross negligence of the Executive Director was a contributing factor;
- Serious breach of the Company's internal regulations and policies by the relevant beneficiary;
- Material restatements of the Company's financial statements, when determined by the external auditor, it is not due to a regulatory change or revision of the accounting legislation and provided that the restatement results in variable compensation to be settled that is lower than that initially accrued or no compensation should have been paid in accordance with the Company's variable compensation system;
- The remuneration has been paid on the basis of data subsequently shown to be manifestly inaccurate and provided that the restatement results in variable compensation to be settled that is lower than that initially accrued or no compensation should have been paid in accordance with the Company's variable compensation system.

The clawback clause can be applied by the Board up to 2 years after the corresponding payment.

#### V. Minimum shareholding requirement

Our Executive Director is required to build and retain a personal shareholding in Colonial (within five years from the date of appointment with extra time granted if requirements increase significantly) to align his interests with those of Colonial's long-term shareholders. The requirement is equivalent to 2x base salary.

The shareholding guidelines do not count unvested share-based incentives.

The Committee will regularly review compliance with this requirement.

As at 31 December 2023, the Chief Executive Officer holds 555,398 shares in the Company, equivalent to 4 annuities of his base salary in 2023 (considering 5.77 euros, weighted average price of the initial 30 sessions of the financial year 2024).

#### VI. Main terms and conditions of the contract

The essential terms and conditions of the Executive Director's contract, in addition to those already set out in this Remuneration Policy, are as follows:

- **Term:** It has been stipulated that the term of the contract will be subject to the term of his appointment as CEO. If the appointment of CEO is renewed, the contract will be understood to have been automatically renewed for the period relating to such renewal of office, unless the Board of Directors resolves otherwise, in which case a new contract must be approved.
- **Severance payments for termination of the contractual relationship:** the Executive Director will receive an additional special indemnity as severance payment in the event of unjustified removal or non-renewal of his terms, or a substantial reduction of his respective functions. The Executive Director will be also entitled to the severance payment (i) if he departs or resigns from his posts as a result of a change in control in the Company or a major change in the composition of the Board of Directors; (ii) in the event of an amendment to the conditions agreed in his contract without his consent; and (iii) in any other scenarios established by the Board of Directors.

For the purposes of calculating this severance payment, consideration will be given to 2 times the annual base salary and target annual bonus, excluding any other remuneration and the rights derived from the long-term incentive at any given time. The contract does not provide for the delivery of the severance payment in shares.

In the event of a change of control, significant change in the composition of the Board of Directors or a substantial amendment to the respective functions or amendment of the conditions agreed in the contract without his consent, the Executive Director will have a period (6 months in the event of a change of control and 3 months in the rest of cases), from the effective date of these resolutions or changes to notify the Board of Directors of his resignation or departure, in which case the Executive Director will be entitled to the aforementioned severance payment.

For the purposes of applying the foregoing, the effective date of the change of control or a significant change in the composition of the Board of Directors, will be understood as the date on which such circumstances are published as a regulatory announcement on the CNMV website under the denomination "privileged information" or "relevant facts". In the event that the Board of Directors resolves to substantially reduce the duties of the beneficiary or amend the conditions agreed in his employment contract without the beneficiary's consent, the effective date will be the time when the party concerned receives due notice of the resolution.

- **Non-compete agreement:** the Executive Director will be subject to a non-compete commitment for a period of 6 months from the date of termination of his relationship with Colonial if such termination is voluntary without cause.

The non-competition agreement will be remunerated with a gross amount equivalent to 6 months of the annual base salary, which will be paid on a pro-rata basis during the months of the non-competition agreement.

In case the Executive Director notified his resignation or departure in the event of a change in control, a significant change in the composition of the Board of Directors or a substantial amendment to his functions or amendment of the conditions agreed in his contract without his consent, the remuneration for the non-competition agreement will be considered absorbed (and therefore no additional payment will be made) by the amount of the severance payment received.



## 3. 2024 REMUNERATION POLICY

### 3.3 REMUNERATION POLICY OF THE EXECUTIVE DIRECTOR

#### VII. Other remuneration items

It is not planned that Colonial's CEO will accrue: (i) any other additional remuneration for providing his services other than those inherent in his position; or (ii) remuneration arising from advances, loans or guarantees being granted.

#### VIII. Extraordinary remuneration

The Board of Directors, on the Committee's proposal, reserves the right to award special incentives to the Executive Director under extraordinary corporate transactions involving acquisitions, investments, restructuring or any other transaction which generates significant shareholders' value.

In order for the Nomination and Remuneration Committee to propose the appropriateness of the incentive and its amount to the Board, the corporate transaction must generate an economic benefit or a significant increase in equity and, in any case, significant shareholders' value. The Nomination and Remuneration Committee will also consider the relevance, complexity and uniqueness of the corporate transaction as well as the extraordinary effort made by the Executive Director to the successful completion of the corporate transaction.

The Board, on the Committee's proposal, will be responsible for agreeing, as appropriate, and setting the Executive Director's amount, the currency of payment and the settlement date of this extraordinary remuneration.

When proposing the specific amount to be awarded, the Nomination and Remuneration Committee will evaluate, additionally, among others, if the achieved results have already been rewarded with ordinary remuneration elements. Notwithstanding, the maximum amount of any extraordinary incentive per annum is capped at 100% of the Executive Director's annual base salary. Full disclosure would be provided in the relevant Annual Report on the Directors' Remuneration.





## 3. 2024 REMUNERATION POLICY

### 3.4 NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY

Non-Executive Directors are rewarded with respect to their effective dedication, qualification and responsibility. As such, the amount of remuneration of Non-Executive Directors is calculated so that it offers incentives to dedication, but at the same time without constituting an impediment to their independence.

Pursuant the Spanish Capital Companies Law and Colonial's Bylaws, the annual remuneration of the Company's Directors in respect of their membership of the Board of Directors and its committees will consist of (i) a fixed annual remuneration; and (ii) attendance fees for meetings of the Board of Directors and its committees. Non-Executive Directors do not participate in any incentive or social welfare systems. Only verified travel and overnight accommodation expense incurred in attending Board meetings and/or any Board committee meetings are reimbursed, upon request from the Director.

The fixed remuneration and attendance fees paid for being members on the Board of Directors and its Committees and for the attendance fees at their meetings, allotted as agreed by the Board of Directors for 2024, will continue to be applicable in exactly the same way as in 2023:

Fixed remuneration	Member	Chair
Board of Directors	€50,000	€500,000
Nomination and Remuneration Committee	€25,000	€50,000
Audit and Control Committee	€25,000	€50,000

Attendance fees per meeting	Member	Chair
Board of Directors	€5,000	€7,500
Executive Committee	€3,000	--
Nomination and Remuneration Committee	€3,000	€4,800
Audit and Control Committee	€3,000	€4,800
Sustainability Committee	€3,000	€4,800

The fixed remuneration items specified above are the only remuneration they receive for being members on Colonial's Board of Directors and its Committees. Regarding this, there is no profit-sharing or bonuses or remuneration schemes or plans that include variable remuneration.

According to the provisions in the Remuneration Policy, the maximum amount of annual remuneration for all the Directors of Colonial in respect of their membership of the Company's Board of Directors and its Committees is established at 2,700,000 euros. If the number of members of the Board of Directors (13) increases, the above-mentioned maximum amount will be increased by 10% for each new member of the Board of Directors that implies an increase in the number of its members.

The Board of Directors, following a proposal by the Nomination and Remuneration Committee, is tasked with the distribution of fixed remuneration and attendance fees for the Board of Directors' meetings for each Director in respect of their membership of the Company's Board of Directors and of its Committees. For the purposes of estimating the fixed remuneration for each Director, consideration will be given to the functions and responsibilities assigned to each of the Directors, their membership of Committees of the Board of Directors and their engagement, in addition to any other objective circumstances that may be deemed relevant, ensuring that this is competitive with the remuneration at other similar companies in terms of their capitalisation, size and geographical breadth of its operations.

Non-Executive Directors, (as the Executive Director and other senior officers at the Company) are beneficiaries of a Directors and Officers liability insurance (D&O) policy underwritten by Colonial that covers liability for the actions and conduct of members of the Board of Directors and executives of the Company as a result of the discharge of their duties, and any losses arising from cyber attacks or failures in cybersecurity.

The cost of this insurance policy is not included in the maximum amount of annual remuneration for all the Directors.





## 4. 2023 REMUNERATION

### 4.1 OVERVIEW OF THE REMUNERATION POLICY IN 2023 AND THE EVOLUTION AND IMPACT OF THE RESULTS OBTAINED AT THE GENERAL SHAREHOLDERS' MEETING

The remuneration accrued in the financial year 2023 was in accordance with the terms of the binding approval of the Remuneration Policy at the General Shareholders' Meeting held on 30 June 2021 and later amended at the General Shareholders' Meeting held on 21 June 2022.

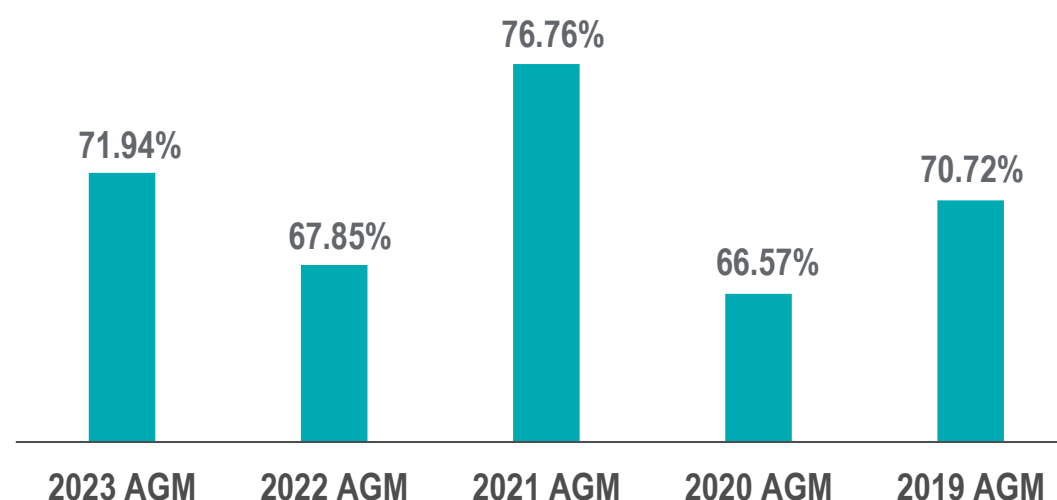
There was no change in the procedure to apply the Remuneration Policy nor was there any temporary exception made to it.

In this respect, the remuneration accrued in 2023 by the Executive Director and the Directors in their capacity as such consisted of the components referred to in the current Remuneration Policy in force in 2023.

The detailed description of the remuneration system for the Directors in 2023 was included in the Annual Report on the Directors' Remuneration corresponding to 2022. Such Report was approved by 71.94% of votes in favour.

The evolution of the voting on the Annual Reports on Remuneration over the recent years is shown in the graph:

Evolution of the % of votes in favour of the recent Annual Reports on the Directors' Remuneration



After the Annual General Shareholders' Meeting was held, the Committee consulted Colonial's main shareholders and considered the information received from the institutional investors and proxy advisors in the regular consultation process to continue making progress in this respect.

### 4.2 2023 CHIEF EXECUTIVE OFFICER REMUNERATION

Vision of the last 5 financial years (figures included in the corresponding Annual Reports on the Directors' Remuneration)

In thousand euros	2023	2022	2021	2020	2019
Fixed remuneration	750	750	686	671	665
Social welfare system <sup>1</sup>	112	112	112	105	104
Remuneration in kind	66	60	53	51	46
Annual bonus	941	763	750	537	665
Deferred annual bonus <sup>2</sup>	136	0	0	0	0
Long-term incentives <sup>3</sup>	279	0	786	985	1,524
Other remuneration <sup>4</sup>	0	0	439	61	60
<b>Total accrued remuneration</b>	<b>2,284</b>	<b>1,685</b>	<b>2,826</b>	<b>2,410</b>	<b>3,064</b>
Fixed components – Total	928	922	915	888	875
Variable components – Total	1,356	763	1,911	1,522	2,189
<b>Annual Total Shareholder Return (%)</b>	<b>13.87%</b>	<b>-24.19%</b>	<b>5.30%</b>	<b>-27.55%</b>	<b>42.58%</b>
<b>Recurring Net Earning per Share (cts. €/share)</b>	<b>31.95</b>	<b>29.8</b>	<b>24.6</b>	<b>27.06</b>	<b>27.4</b>

- In accordance with the instructions of Circular 3/2021, of September 28, of the CNMV the contribution made to the social welfare system is considered non-consolidated and is included in the tables of Statistical Appendix III of the Annual Report on the Directors' Remuneration of listed companies as a long-term savings systems with non-consolidated economic rights. Therefore, the total remuneration accrued in 2023 included in table C.1.c) of Statistical Appendix III amounts to 2,172 thousand euros.
- It includes the deferred shares corresponding to the 2021 variable remuneration that were consolidated in 2023 (21,912 shares valued at 5.97 euros) and 5,259 euros, a cash amount equivalent to the dividends generated during the deferral period (0.24 euros/share in 2022).
- The economic value of the shares of the long-term incentive considers a share price of 5.77 euros, the weighted average price of the initial 30 trading sessions of the 2024 financial year.
- Other remuneration from 2019 to 2021 includes the remuneration items received for being members on management bodies of other companies in the Group, (specifically Société Foncière Lyonnaise – SFL), and the extraordinary remuneration for the takeover bid by Colonial of SFL's shares owned by minority shareholders.

In the financial year 2023, the Chief Executive Officer did not accrue or receive any remuneration other than those specified above.

#### CEO Pay Ratio

The total remuneration accrued in 2023 by the Chief Executive Director amounted to 2,284 thousand euros. The average remuneration of the staff, taking into consideration the 117 employees in Colonial Group, amounted to 93 thousand euros. Therefore, the ratio of the Chief Executive Officer's total remuneration is 24.6 times the average remuneration of the staff.

The Statistics Appendix II included at the end of this Report provides a table that explains the development of the Chief Executive Officer's total remuneration, the Non-Executive Directors' total remuneration, the Company's consolidated results and the average remuneration of the staff, (excluding the Directors), over the last 5 financial years.

## 4. 2023 REMUNERATION

### 4.2 THE CHIEF EXECUTIVE OFFICER'S REMUNERATION IN 2023

#### I. Remuneration elements for performing executive duties: fixed elements

##### Base salary

The Chief Executive Officer's base salary in 2023 amounted to €750,000, according to the limit stipulated in the Directors' Remuneration Policy, and with no change since 2021.

This amount consists of the remuneration for all the duties he performs at Colonial both in his executive capacity and as a member on the Company's Board of Directors and attending its meetings.

##### Social welfare system

The Chief Executive Officer was the beneficiary of a defined-contribution welfare scheme covering retirement, disability and death for an amount corresponding to 15% of his base salary, i.e. €112,500.

The Executive Director's social welfare system scheme recognises the vesting of financial rights should the professional relationship is terminated prior to the occurrence of the eventualities covered, unless such termination occurs with just cause. Furthermore, this social welfare system is compatible with any severance package that may be applicable

##### Other benefits

The Company grants the Chief Executive Officer remuneration in kind, apart from the social welfare system referred to above, which are normal practice in the sector, such as Company car, a life insurance policy, family health, disability and accident medical insurance policy. In 2023, the amount of this remuneration in kind amounted to €65,609.

No advance, credit or guarantee has been granted by the Company.

Colonial has taken out a group third-party liability insurance policy underwritten by Colonial that covers liability for the actions and conduct of members of the Board of Directors and executives of the Company as a result of the discharge of his duties, and any losses arising from cyber attacks or failures in cybersecurity. The cost of this insurance policy is not included in the maximum amount of annual remuneration for all the Directors in their capacity as such. The amount of the group third-party liability insurance policy in 2023 was €417,277.





## 4. 2023 REMUNERATION

### 4.2 THE CHIEF EXECUTIVE OFFICER'S REMUNERATION IN 2023

#### II. Remuneration elements for performing executive duties: performance-related elements

##### Annual bonus

In 2023, the Chief Executive Officer was assigned an annual bonus equivalent to 100% of his annual base salary, in the event of 100% of achievement of the objectives predetermined by the Board of Directors at the beginning of the financial year, at the proposal of the Committee, which could reach up to a maximum of 133.75% of the annual bonus target.

At the Committee's meeting held on 20 February 2023, the metrics, weightings and performance scales were agreed for the financial year 2023, which would determine the Chief Executive Officer's annual bonus in such period. The Committee monitored the achievement of these objectives throughout the year and, once the financial year had ended and the annual accounts had been audited for the financial year in question, an evaluation process was conducted of the achievement of these objectives, for which it relied on the support of the executive team and the Sustainability Committee. In this evaluation, the Committee also considered the positive and negative economic effects of extraordinary events which might introduce distortions into the results of the evaluation and the associated risks.

After a favourable recommendation of the Committee, the Board of Directors is allowed to adjust the payout level of the annual bonus to ensure that the result is fair and balanced in view of the Company's overall performance and the shareholders' experience.

The following table shows the metrics, their weightings, the results achieved and the achievement and payout level, after the evaluation by the Committee at its meeting held on 28 February 2024 to determine the amount of the annual bonus payable.

Type of objectives	Weighting	Metrics	Results achieved	Achievement level	Payout level	Weighted payout level
80% economic-financial and creating value for the shareholders	30%	Net rental incomes	€353.1 million	106.7%	125%	37.5%
	35%	Adjusted earnings per share	31.95 cts. €/share	117%	150%	52.5%
	15%	Loan to Value (LTV)	39.94%	-0.1 p.p.	86%	12.9%
20% Non-financial	10%	ESG goals: (i) to maintain excellent ratings (2/3) in the following indices: GRESB Standing Investment Rating, CPD "A", Sustainalytics; and (ii) to achieve the objectives in the decarbonisation plan.	(i) 94 in GRESB, "A" in CDP and 6.2 in Sustainalytics ESG Risk rating (ii) See comments below	125%	125%	12.5%
		10%	Assessment of individual performance based on strategic initiatives.		100%	100%
	<b>Final weighted payout level (as a % of the target)</b>					

Specifically, in relation to the non-financial objectives, the Committee has considered the following achievements:

- Colonial has achieved an excellent positioning in the following sustainability indices:
  - 94/100 points in GRESB Standing Investments Rating, a continuous improvement in GRESB, climbing 34 points in these last years. 5-star rating (placing Colonial in the top 20) and 3rd out of the 100 participants in the group of European listed companies.
  - "A" rating in CDP, the highest category for the third consecutive year, confirming the Company's leadership in decarbonisation. This rating is well above the regional average for Europe and the financial services sector and has given a strong year-on-year boost. This rating is increasingly demanding with very stringent requirements on climate strategy. The list of companies with an A rating represents 1.5% of all participants. Colonial leads the Ibex-35 with the highest rating (only 9 Ibex-35 companies have achieved an A rating).
  - 6.2 in Sustainalytics ESG Risk rating, an improvement of 36% over the previous rating, positioning Colonial as leader in the Ibex-35, being the company with the best score. On a global level, out of 15,536 participating companies from all sectors, Colonial forms part of the select group of the 26 best companies in the world, corresponding to only 0.2% of leading companies. Colonial also leads the real estate sector in Europe: it is among the top European REITs, only behind Unibail-Rodamco and in the top 0.7% of real estate companies covered.
- In terms of emissions reductions, during 2023:
  - The plan on emissions from activities has been revised and, with respect to the initiatives already defined for scopes 1 and 2, specific initiatives on scope 3 have been added.
  - The asset portfolio has been analysed under CRREM (Carbon Risk Real Estate Monitor) criteria and the decarbonisation plan has been aligned with these criteria.
  - A robust embodied carbon approach has been developed, which allows the impact of all projects delivered to be known.
  - As a result, the decarbonisation strategy 2.0 considers a 3-vector approach (reduction, avoidance and elimination) and a roadmap has been established to reduce emissions across the value chain (emissions by activity, sourcing/purchasing and assets and projects).
- In the individual assessment of the Chief Executive Officer, the Committee has particularly considered the financial results achieved in a complex macroeconomic environment, the progress in sustainability matters, his leadership within Colonial Group and his relevance at the institutional level in the sector.

Based on the foregoing, the Committee considered a weighted payout level for all the objectives of 125.4% of the target. Therefore, after a favourable recommendation of the Committee, the Board of Directors approved annual bonus for an amount of 940,500 euros (124.4% of the base salary and 93.8% of the maximum annual bonus).

This annual bonus will be paid in cash in March 2024.

In addition, in 2023 both the Chief Executive Officer and the Non-Executive Chair (given that during the 2021 financial year he had executive duties) each received the 21,912 shares corresponding to the deferral of the annual bonus of 2021 for an amount of 130,815 euros (price per share of 5.97 euros), plus an equivalent amount in cash of 5,259 euros corresponding to the dividends paid out during the deferral period (0,24 euros/share in 2022).

## 4. 2023 REMUNERATION

### 4.2 THE CHIEF EXECUTIVE OFFICER'S REMUNERATION IN 2023

#### III. Remuneration elements for performing executive duties: performance-related remuneration (cont.)

##### Long-term incentive: 2021-2023 Cycle

The 2021-2023 cycle ended in the financial year 2023.

This cycle consisted of granting shares subject to achieving a series of objectives and remaining in the Company during the performance period.

At the Committee's meeting held on 23 February 2021, the metrics, weightings and performance scales were agreed for the financial year 2023, which would determine the Chief Executive Officer's long-term incentive in such period. The Committee monitored the achievement of these objectives throughout the year and, once the financial year had ended and the annual accounts had been audited for the financial year in question, an evaluation process was conducted of the achievement of these objectives, for which it relied on the support of the executive team. In this evaluation, the Committee also considered the positive and negative economic effects of extraordinary events which might introduce distortions into the results of the evaluation and the associated risks.

After a favourable recommendation of the Committee, the Board of Directors is allowed to adjust the payout level of the incentive to ensure that the result is fair and balanced in view of the Company's overall performance and the shareholders' experience.

To determine the level of achievement of the objectives and to calculate the exact number of shares to be awarded, a performance scale was set for each objective at the start of the cycle. This includes: (i) a minimum threshold below which no incentive is paid and its achievement will result in the award of 50% of the theoretical number of granted shares; (ii) a target level that will result in the award of 100% of the theoretical number of granted shares; and (iii) a maximum level that will imply an award of 150% of the theoretical number of granted shares (200% in the event of Total Shareholder Return).

The following table shows the metrics, their weightings, the results achieved and the achievement and payout level, after the evaluation by the Committee at its meeting held on 28 February 2024 to determine the amount of the long-term incentive payable:

Cycle	Weighting	Metrics	Achievement level	Payout level	Weighted payout level
2021-2023	50%	Total Shareholder Return (TSR) vs. a peer group* and adjusted (upwards or downwards) by the absolute TSR	0%	0%	0%
	30%	Net tangible assets (NTA)/share on 31 December 2023	85.8%	0%	0%
	10%	Adjusted earnings per share in 2023	106%	115.1%	11.5%
	10%	Pipeline management: the variation in the appraisal value of the assets included in the pipeline from the start to the end of the cycle, considering the CapEx incurred in the period 2021-2023	110.6%	121.3%	12.1%
<b>Final weighted payout level (as a % of the target)</b>					<b>23.6%</b>

\* Peer group: Gecina, Merlin Properties, Covivio, Icade, Vitura, British Land, Landsec, Great Portland Estates, Aroundtown, Alstria and Prime Swiss Property.

The Committee took the following issues into consideration to propose the achievement level reached and the amount of the long-term incentive:

- The absolute TSR for 2021-2023 amounted to -14.73%, below the minimum threshold determined in the performance scale to receive the incentive. Colonial's relative TSR was 101.49% of the peer group's weighted average TSR. By combining these metrics by multiplication, the incentive accrued for this item is zero.
- The NTA/share on 31 December 2023 amounted to 9.95 euros.
- The adjusted earnings reached 31.95 cts. euros per share.
- Pipeline management: the pipeline of projects has practically been delivered and pre-rented. Of the 9 active projects, 7 have been fully delivered and are pre-rented, which implies a yield-on-cost of 6%-7%. At the end of 2023, only one asset remained available, which began to be marketed at the end of 2022.

Based on the foregoing, the Committee considered a weighted payout level for all the objectives of 23.6% of the target. Therefore, after a favourable recommendation by the Committee, the Board of Directors approved a long-term incentive for the 2021-2023 cycle of 43,392 shares (equivalent to 15.8% of the maximum incentive).

According to the agreement approved by the General Shareholders' Meeting in 2021, this number of shares will be increased by a number of shares equivalent to the amount of dividends per share paid out by Colonial to its shareholders during the accrual period of the cycle. For such purpose, the reference value will be the weighted average of Colonial's share on the dividend payment dates in each of the years of the cycle.

As a result, the total number of shares accrued by the Chief Executive Officer is 48,390 shares. These shares, considering a share price of 5.77 euros, have a final value of 279,210 euros, -88% compared with the initial grant value. This result shows the flexibility of the variable remuneration and the alignment of the shareholders' experience with the CEO's remuneration.

The Chief Executive Officer must hold the earned shares, net of taxes, for at least one year after they are awarded, irrespective of the minimum shareholding requirement equivalent to 2x his base salary.



## 4. 2023 REMUNERATION

### 4.3 REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH 2023

The overall remuneration of the Directors for being members on the Board of Directors and its committees amounted to 2,367 thousand euros in 2023, which is substantially below the maximum total annual remuneration of 2,5 million euros stipulated in the Directors' Remuneration Policy 2021-2023 for all the Directors in their capacity as such.

The amounts and items for the financial year 2023 are shown in the following table:

Fixed remuneration	Member	Chair	Attendance fees per meeting	Member	Chair
Board of Directors	€50,000	€500,000	Board of Directors	€5,000	€7,500
Nomination and Remuneration Committee	€25,000	€50,000	Executive Committee	€3,000	--
Audit and Control Committee	€25,000	€50,000	Nomination and Remuneration Committee	€3,000	€4,800
			Audit and Control Committee	€3,000	€4,800
			Sustainability Committee	€3,000	€4,800

The remuneration accrued by the members of the Company's Board of Directors in the financial year 2023, in thousands of euros, individualised by Director, is shown below.

Name	Title	Category	The Board's Committees				Period	Remuneration (in thousand €)
			EC	NRC	ACC	SC		
Mr. Juan José Brugera Clavero	Chair	Other external	C				01/01/2023 – 31/12/2023	633
Mr. Pedro Viñolas Serra	CEO and Vice-Chair	Executive	M				01/01/2023 – 31/12/2023	--
Mr. Sheik Ali Jassim M.J.Al-Thani	Director	Proprietary					01/01/2023 – 31/12/2023	105
Mr. Giuliano Rotondo	Director	Proprietary	M				18/10/2023 – 31/12/2023	25
Mr. Juan Carlos García Cañizares	Director	Proprietary	M	M			01/01/2023 – 31/12/2023	164
Mr. Carlos Fernández González	Director	Proprietary	M				01/01/2023 – 31/12/2023	105
Ms. Silvia Alonso-Castrillo Allain	Director	Independent		M		C	01/01/2023 – 31/12/2023	185
Mr. Luis Maluquer Trepas	Director	Independent	M	M	M	M	01/01/2023 – 31/12/2023	233
Ms. Ana Lucrecia Bolado Valle	Director	Independent		C	M	M	01/01/2023 – 31/12/2023	277
Ms. Ana Cristina Peralta Moreno	Director	Independent			C	M	01/01/2023 – 31/12/2023	210
Ms. Begoña Orgambide García	Director	Proprietary			M <sup>1</sup>		01/01/2023 – 31/12/2023	160
Ms. Miriam González Amézqueta	Director	Independent			M <sup>2</sup>		15/06/2023 – 31/12/2023	82
Mr. Manuel Puig Rocha	Director	Proprietary					15/06/2023 – 31/12/2023	47
Mr. Adnane Mousannif	Director	Proprietary	M	M		M	01/01/2023 – 18/10/2023	141
							<b>Total remuneration</b>	<b>2,367</b>

Notes:

- ACC: Audit and Control Committee
- EC: Executive Committee
- C: Chair
- NRC: Nomination and Remuneration Committee
- SC: Sustainability Committee
- M: Member

<sup>1</sup>Ms. Begoña Orgambide García has been a member of the Audit and Control Committee since 23 January 2023.

<sup>2</sup>Ms. Miriam González Amézqueta has been a member of the Audit and Control Committee since 11 July 2023.

The Non-Executive Chair (given that during the 2021 financial year he had executive duties) received the 21,912 shares corresponding to the deferral of the annual bonus of 2021 for an amount of 130,815 euros (price per share of 5.97 euros), plus an equivalent amount in cash of 5,259 euros corresponding to the dividends paid out during the deferral period. There is no supplementary remuneration payable to the Directors as consideration for their services rendered apart from the amount related to their posts or any additional remuneration item other than those explained in the previous sections.

## 5. CONSISTENCY WITH THE COMPANY'S STRATEGY, INTERESTS AND SUSTAINABILITY IN THE LONG-TERM

The Remuneration Policy has the following features that ensure consistency with the Company's strategy, interests and sustainability in the long term.

- The total remuneration for the Executive Director mainly consists of the following components: (i) fixed remuneration elements, (ii) annual bonus and (iii) long-term Incentive. For the Executive Director, this long-term component has a weight no less than 48% of total remuneration in a target scenario.
- This long-term incentive is designed as multi-year scheme to ensure that the evaluation process is based on long-term results and that the underlying economic cycle of the Company is considered. This remuneration is mainly granted and delivered in the form of shares and based on the shareholders' value creation to align Executives' and shareholders' interests. Moreover, it consists of overlapping cycles which, as a general rule, are chained indefinitely, maintaining a permanent focus on the long-term in all decisions.
- A suitable balance between the fixed and variable components of the remuneration. The Executive Director has a variable remuneration scheme that is fully flexible, which includes a minimum threshold below which no incentive is payable.
- The metrics set out in both annual bonus and long-term variable remuneration are linked to the achievement of a combination of financial and non-financial measures, reflecting the Company's strategic priorities at any given time.
- The shares delivered to the Executive Director are subject to a holding period of one year, notwithstanding the minimum shareholding requirement of 2 times his base salary.
- There is no guaranteed variable remuneration.

In addition, the Remuneration Policy has the following features to reduce exposure to excessive risk. The Committee periodically reviews HR and remuneration practices to make the corresponding proposals to the Board of Directors always in the best interest for the company, including:

- How we integrate risk, controls and conduct considerations into key HR practices including performance development, remuneration, promotion and succession planning.
- Measures designed to discourage imprudent risk-taking:
  - Caps to variable remuneration.
  - Possible deferral of the portion of bonus above the target award.
  - Multiple performance metrics, some of which may be adjusted by different risks.
  - Multi-year vesting periods.
  - Retention and minimum shareholding requirements.
  - Malus and clawback clauses.
  - Prohibition of hedging, pledging, short sales or derivative transactions in the Company shares received during the retention period.
- Regulatory updates which have impacted or may impact HR practices in the future.
- The Committee connects with other committees to ensure that the Colonial's remuneration policies and practices achieve the right balance between appropriate incentives to reward performance and management of the risks linked to remuneration.

The Committee is also provided with information to monitor performance and a summary of risk, controls and conduct assessments.

The specific measures to identify and manage any potential conflict of interest are set in the Regulations of the Board of Directors. These also determine the code of conduct for the members of the Board of Directors.

Regarding the ratio of the Chief Executive Officer's remuneration with that of the rest of the employees, there is a clear alignment between the remuneration structures of the executives, including the Chief Executive Officer, and those of the other employees, in the manner the remuneration principles are followed, as well as in the mechanics of the pay review process along with the design of the incentives, which are substantially the consistent across the organisation.

The Chief Executive Officer's remuneration approach is coherent with the remuneration package of the members of the Management Team and other executives. In general, a much larger proportion of the Executive Director's remuneration is linked to the Company's results compared with the rest of the employees. Therefore, the remuneration will be increased or decreased depending on the business results and thus the Chief Executive Officer's interests will be in line with those of the shareholders and other stakeholders of Colonial.

The type of metrics to which the annual bonus and the long-term incentive are linked is aligned for the executive team and the rest of the employees.





## 6. COMPANY PROCEDURES AND BODIES INVOLVED IN DETERMINING, APPROVING AND APPLYING THE REMUNERATION POLICY AND ITS TERMS AND CONDITIONS

### 6.1 COMPOSITION AND EXPERIENCE OF THE MEMBERS OF THE COMMITTEE

On 31 December 2023 and on the date this Report was approved by the Board of Directors, the Nomination and Remuneration Committee was composed of 4 members, pursuant to the provisions in the Company's Articles of Association and the Board of Directors' Regulations, which state that the Committee must be composed of at least three and a maximum of eight Directors.

All the members of the Committee are Non-Executive Directors, three of them being independent and one proprietary. The Committee is chaired by an independent director, Ms. Ana Bolado Valle, in this way complying with the provisions in Article 33 of the Company's Articles of Association and the Board of Directors' Regulations.

The experience of the members of the Company's Nomination and Remuneration Committee is as follows:

Name	Category	Title	Experience
<b>Ms. Ana Lucrecia Bolado Valle</b>	Independent	Chair	<p>She has a degree in Pharmacy from the Complutense University of Madrid and a Master in Business Administration (MBA) from IE Business School. Throughout her professional career, Ms. Ana Bolado Valle has held various management positions in the Santander Group (1986-2017), managing important wholesale and retail business areas, digital transformation projects and key areas for the Group such as Corporate Human Resources Management between 2005 and 2010. She has also been Director of Parques Reunidos Servicios Centrales, S.A. and Unicaja Banco, S.A.</p> <p>Ms. Ana Bolado Valle is currently a proprietary director of Metrovacesa, S.A., appointed according to a proposal made by Banco Santander, S.A., Caceis Group and Caceis Bank. In relation to the latter institution, Ms. Ana Bolado is a member of the following Committees: Strategy, Audit, Risk and Compliance and Nomination and Remuneration. She is also Senior Advisor at Fellow Funders, an equity crowd funding platform to support the financing of start-ups and SMEs, as well as a member of the Institute of Directors and Directors (ICA) and Women Corporate Directors.</p>
<b>Mr. Luis Maluquer Trepát</b>	Independent	Member	<p>He has a degree in Law from Barcelona University and a Diploma in International Institutions from the Université de Genève. Throughout his professional life, he has advised various national and international enterprises, providing his services in the specialised field of banking, financial and real estate law. He also has teaching experience in banking and financial law at various institutions such as the Barcelona Chamber of Commerce and was a Director of the Association Européenne pour le Droit Bancaire et Financier (AEDBF Paris).</p> <p>He is a founding partner of the law firm Maluquer Advocats, SCP and Director and Secretary of various enterprises, including Société Foncière Lyonnaise, where he was a Director until April 2022. He was the Chair of the Argentine Chamber of Commerce in Spain until 2019, where he is currently a member of the Governing Board.</p>
<b>Ms. Silvia Alonso-Castrillo Allain</b>	Independent	Member	<p>She has a degree in political science from Sciences Po University (Paris), a Master's and PhD in Spanish and Latin American studies from the Sorbonne University (Paris). She was admitted by competitive examination to the public teaching of Hispanic studies in France. She has been teaching and conducting research for 25 years (1984-2009) in several French academic institutions: University of Toulouse, Sciences Po and ESSEC Business School. She is the author of several books on contemporary Spanish history and politics. Ms. Alonso-Castrillo worked for the French embassy in Singapore as a science and culture counsellor before being appointed regional director of INSEAD. She oversaw the development of two campuses in Singapore: the French Lycée and INSEAD (1996-1999). On her return to Europe in 2000, she worked for 15 years with ESSEC, managing international development and fundraising for the business school, which also opened a campus in Singapore. In 2007, she founded the consulting firm Sociedad de Estudios Hispano Franceses, S.L. in Madrid, a firm she was a leader until 2019 and where she is sole partner and proxy at present. Since 2013, Ms. Alonso Castrillo has been managing the family estate in the Loire Valley (France). She has served on the Board of the College de Bernardins (Paris) and on the Executive Committee of the Fondation pour les Sciences Sociales (Paris). She was a board member of SFL from 2017 to January 2019 and of Koiki Home S.L. from 2017 to February 2023.</p>
<b>Mr. Juan Carlos García Cañizares</b>	Proprietary	Member	<p>He is an Industrial Engineer who has also completed management programmes at IMD Switzerland and holds a joint MBA from New York University Stern School of Business, London School of Economics and HEC Paris. He is an investor and former investment banker who has led mergers, acquisitions financings worth more than \$35 billion for over 25 years. He was Vice-President of Planning at Bavaria, one of Latin America's leading brewery companies, where he was responsible for the \$4 billion international brewery acquisition programme and the subsequent \$8 billion merger with SABMiller plc, creating the world's second largest brewery. He subsequently led, on behalf of the Santo Domingo Group, the negotiations for the conversion of its stake in SABMiller for a stake in Anheuser Busch Inbev, as part of their merger, a transaction that was completed in 2016. Prior to joining the Santo Domingo Group, he was co-founder and Senior Partner of Estrategias Corporativas, an investment banking firm in Latin America. He currently holds the position of Managing Director of Quadrant Capital Advisors, Inc. in New York (an investment firm of the Santo Domingo Group based in New York). He is responsible for Quadrant Capital's Strategic Investments Group, including investments in AB InBev and a portfolio of public and private minority investments mainly in the consumer sector in the United States and Europe. He is a member of several boards of directors, including Bevco Lux S.A.R.L. in Luxembourg, Bavaria, S.A. and Valorem, S.A. in Colombia, and the Advisory Board of the International Finance Center of the Yale School of Management at Yale University in the United States.</p>

## 6. COMPANY PROCEDURES AND BODIES INVOLVED IN DETERMINING, APPROVING AND APPLYING THE REMUNERATION POLICY AND ITS TERMS AND CONDITIONS

### 6.2 NUMBER OF MEETINGS AND ATTENDANCE

Colonial's Nomination and Remuneration Committee held 12 meetings in the financial year 2023.

The following table shows the percentage of attendance of its members in the financial year 2023. The results in the table show the commitment undertaken by each of its members, since all of them personally attended 100% of the Committee's meetings.

Attendance fees	Attendance
Ms. Ana Lucrecia Bolado Valle	100%
Mr. Luis Maluquer Trepas	100%
Ms. Silvia Alonso-Castrillo Allain	100%
Mr. Juan Carlos García Cañizares	100%
Mr. Adnane Mousannif*	100%

\*He resigned on 18 October 2023.

### 6.3 THE MAIN ACTIVITIES RELATED TO REMUNERATION CARRIED OUT BY THE COMMITTEE

In the financial year 2023 and up to the date this Report was approved, the most relevant actions carried out by Colonial's Nomination and Remuneration Committee related to remuneration were as follows:

Activities	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Assessment of the achievement of the objectives linked to the annual bonus 2022 and a proposal for the payout level.	✓				
Monitoring achievement of the objectives for the 2021-2023 and 2022-2024 cycles of the Long-Term Incentive Plan approved by the General Shareholders' Meeting in 2021.	✓		✓		
Proposal for the metrics, weightings and objectives of the annual bonus of the CEO and the executive team for the financial year 2023.	✓				
Proposal for the maximum number of shares and the metrics, weightings and objectives of the 2023-2025 cycle of the Long-Term Incentive Plan, approved by the General Shareholders' Meeting in 2021.	✓				
Proposal for the Annual Report on the Directors' Remuneration 2022 to be submitted to the Board of Directors for its approval to then be submitted to Colonial's General Shareholders' Meeting to be held in 2023 (advisory vote).	✓				
Proposal for the Directors' Remuneration Policy for the financial years 2024, 2025 and 2026 to be submitted to the Board of Directors for its approval to then be submitted to Colonial's General Shareholders' Meeting to be held in 2023.	✓	✓			
Monitoring and analysis of the results of the General Shareholders' Meeting related to the remuneration.			✓		
Analysis of the proposal for the design of a new Long-Term Incentive Plan to be submitted to the Board of Directors for its approval to then be submitted to Colonial's General Shareholders' Meeting to be held in 2024.			✓	✓	✓
Assessment of achievement of the objectives linked to the annual bonus 2023 and a proposal for the payout level.					✓
Assessment of achievement of the objectives linked to the 2021-2023 cycle of the Long-Term Incentive Plan approved by the General Shareholders' Meeting in 2021 and a proposal for the payout level.					✓
Proposal for the Annual Report on the Directors' Remuneration 2023 to be submitted to the Board of Directors for its approval to then be submitted to Colonial's General Shareholders' Meeting to be held in 2024 (advisory vote).				✓	✓



## 6. COMPANY PROCEDURES AND BODIES INVOLVED IN DETERMINING, APPROVING AND APPLYING THE REMUNERATION POLICY AND ITS TERMS AND CONDITIONS

### 6.4 PROCEDURES AND BODIES INVOLVED

The Company's procedures and the competent bodies for determining and approving the Remuneration Policy and its terms and conditions are described below.

As of the date of submission of this Annual Report on the Directors' Remuneration to the General Shareholders' Meeting, the only Executive Director is the Chief Executive Officer.

	Nomination and Remuneration Committee	Board of Directors	General Shareholders' Meeting
<b>Determining the Policy and its remuneration components</b>	It proposes the Policy to the Board.	It approves the Policy and submits it to the General Shareholders' Meeting for a vote.	It approves the Policy at least every three years. It approves any modification or replacement of the Policy.
	It proposes to the Board the maximum annual amount to be paid to Directors in their capacity as such and each Director's remuneration.	It proposes to the General Shareholders' Meeting the maximum annual amount to be paid to Directors in their capacity as such. It determines the remuneration of each Director.	It approves the maximum annual remuneration for all Directors in their capacity as such.
	It proposes to the Board the Directors' remuneration for the performance of their executive functions, along with the terms and conditions of their contract.	It sets the Directors' remuneration for the performance of executive functions, along with the terms and conditions of their contract.	It approves the remuneration systems for the Directors for the performance of executive functions.
<b>Application of the Policy</b>	It proposes the amount of the base salary for the Executive Director and its annual variation. It proposes the parameters for setting the variable components and evaluates them for payment purposes. It proposes, as necessary, the cancellation of the payment or the refund of variable components.	It evaluates and, where appropriate, approves the proposals made by the Nomination and Remuneration Committee on implementation of the Policy.	
<b>Review of the Policy</b>	It verifies the compliance with the Policy and regularly reviews its implementation. It ensures that the individual remuneration is proportionate.		
<b>Transparency of the Policy</b>	It ensures transparency over remuneration and the inclusion of information on the Directors' remuneration in the annual report. It submits the Annual Report on the Directors' Remuneration to the Board of Directors for approval and verifies the information on Directors' remuneration contained in corporate documents. It prepares the specific report that underlies the Remuneration Policy.	It approves the Annual Report on Directors' Remuneration to be submitted to the General Shareholders' Meeting for consultation purposes.	It approves (advisory vote) the Annual Report on Directors' Remuneration.

### 6.5 EXTERNAL ADVISORS INVOLVED IN THE DRAFTING OF THE POLICY AND OTHER COMPANY BODIES INVOLVED IN DESIGN AND IMPLEMENTATION OF THE POLICY

According to the Board of Directors' Regulations, the Directors of the Board and members of its Committees may request external advice on any matters they deem necessary to better perform their duties. In this respect, the Committee has received advice from WTW for the design of the new Remuneration Policy for the financial years 2024, 2025 and 2026 and for drafting this Report.

## APPENDIX I – DETAILS OF THE CURRENT LONG-TERM INCENTIVE PLANS

This Appendix I includes the second 2022-2024 Cycle and third 2023-2025 Cycle currently in force of the Long-Term Incentive Plan approved by the General Shareholders' Meeting held on 30 June 2021.

### Long-term incentive: 2022-2024 Cycle

**Description** It consists of granting Company to the beneficiaries of the Plan by means of long-term variable remuneration, subject to achieving specific multi-annual objectives.

**Term of the Plan** 1 January 2022 to 31 December 2024.

**Maximum number of shares** 279,156 shares.  
The number of shares that the CEO will finally accrue will depend on achievement of the objectives to which the 2022-2024 cycle is linked and such number may be increased by a number of shares equivalent to the amount of the dividends per share paid out by Colonial to its shareholders during the cycle. For such purpose, the reference value will be the weighted average of Colonial's share on the dividends payment dates in each of the years of the cycle.

	Weighting	Metrics
<b>Metrics</b>	50%	Relative Total Shareholder Return vs. a peer group★ and adjusted (upwards or downwards) by the absolute Total Shareholder Return.
	30%	Net tangible assets (NTA)/shares on 31 December 2024.
	10%	Adjusted earnings per share in 2024.
	10%	Pipeline management: The variation in the appraisal value of the assets included in the pipeline from the start to the end of the cycle, considering the CapEx incurred in the period 2022-2024.

★ Peer group: Gecina, Merlin Properties, Covivio, Icade, Vitura, British Land, Landsec, Great Portland Estates, Aroundtown, Alstria and Prime Swiss Property.

Payout levels are determined by the Board of Directors, on the Nomination and Remuneration Committee's proposal, after the performance period ends, based on the level of achievement of the objectives, and may adjust the payout level to ensure a fair and balanced outcome in view of the Company's overall results and considering any associated risks. In this respect, any positive or negative economic impact arising from any extraordinary events which may introduce distortions into the results of the evaluation, may be removed upon proposing the level of achievement of the quantitative objectives. The evaluation of performance for some metrics could be done based upon the data and the results provided by external advisors.

In any case, in the event of changes to the number of shares in Colonial due to a decrease or increase in the nominal value of the shares or as a result of a transaction with an equivalent impact, such as a merger, consolidation or spin-off, the maximum number of shares to be awarded will be adjusted, when appropriate, in order to maintain the equivalence of the benefits under the Plan.

Moreover, the Board of Directors is authorised, at the proposal of the Committee, to propose the full or partial cancellation (malus) or refund (clawback) of the shares to be awarded to the Plan's beneficiaries.

**Operation** The CEO must hold the earned shares, net of taxes, for at least one year after they are award, irrespective of the minimum shareholding requirement equivalent to 2x his base salary.

To determine the result of the peer group, each company is assigned a weighting calculated according to its level of comparability with Colonial depending on its market capitalisation over the last 3 months of 2021. For this purpose, the Board of Directors assigns a weighted value to each company included in the Index and determines the parameters for its calculation, being able to replace the companies in the Index if this is warranted due to the circumstances.

To determine the achievement of the objectives and to calculate the exact number of shares to be awarded for these items, the Board of Directors has agreed on a performance scale for each objective at the start of each cycle, according to a proposal made by the Nomination and Remuneration Committee. This will include: (i) a minimum threshold below which no incentive is paid and its achievement will result in the award of 50% of the theoretical number of granted shares; (ii) a target level that will result in the award of 100% of the theoretical number of granted shares; and (iii) a maximum level that will imply an award of 150% of the theoretical number of granted shares (200% in the event of Total Shareholder Return).



## APPENDIX I – DETAILS OF THE CURRENT LONG-TERM INCENTIVE PLANS

### Long-term incentive: 2023-2025 cycle

**Description** It consists of granting Company shares to the beneficiaries of the Plan by means of long-term variable remuneration, subject to achieving specific multi-annual objectives.

**Term of the Plan** From 1 January 2023 to 31 December 2025.

**Maximum number of shares** 376,254 shares.  
The number of shares that the Chief Executive Officer will finally accrue will depend on achievement of the objectives to which the 2023-2025 cycle is linked and such number may be increased by a number of shares equivalent to the amount of the dividends per share paid out by Colonial to its shareholders during the cycle. For such purpose, the reference value will be the weighted average of Colonial's share on the dividends payment dates in each of the years of the cycle.

	Weighting	Metrics
<b>Metrics</b>	50%	Total Shareholder Return (TSR): <ul style="list-style-type: none"> <li>• 15% relative TSR vs. a peer group★, and</li> <li>• 35% absolute TSR</li> </ul> Maximum weighting of up to 200% of the target
	20%	Net tangible assets (NTA)/share as of 31 December 2026: <ul style="list-style-type: none"> <li>• 10% relative NTA and</li> <li>• 10% absolute NTA</li> </ul>
	20%	Adjusted earnings per share in the 2024-2026 performance period.
	10%	Progress made in the decarbonisation plan and emission reduction.

★ Peer group: Icade, Merlin Properties, Gecina, Covivio, Vitura, Aroundtown and PSP Swiss Property.

Payout levels are determined by the Board of Directors, on the Nomination and Remuneration Committee's proposal, after the performance period ends, based on the level of achievement of the objectives, and may adjust the payout level to ensure a fair and balanced outcome in view of the Company's overall results and considering any associated risks. In this respect, any positive or negative economic impact arising from any extraordinary events which may introduce distortions into the results of the evaluation, may be removed upon proposing the level of achievement of the quantitative objectives. The evaluation of performance for some metrics could be done based upon the data and the results provided by external advisors.

In any case, in the event of changes to the number of shares in Colonial due to a decrease or increase in the nominal value of the shares or as a result of a transaction with an equivalent impact, such as a merger, consolidation or spin-off, the maximum number of shares to be awarded will be adjusted, when appropriate, in order to maintain the equivalence of the benefits under the Plan.

Moreover, the Board of Directors is authorised, at the proposal of the Committee, to propose the full or partial cancellation (malus) or refund (clawback) of the shares to be awarded to the Plan's beneficiaries.

**Operation** The Chief Executive Officer must hold the earned shares, net of taxes, for at least one year after they are award, irrespective of the minimum shareholding requirement equivalent to 2x his base salary.

To determine the result of the peer group, each company is assigned a weighting calculated according to its level of comparability with Colonial depending on its market capitalisation over the last 3 months of 2022. For this purpose, the Board of Directors assigns a weighted value to each company included in the Index and determines the parameters for its calculation, being able to replace the companies in the Index if this is warranted due to the circumstances.

To determine the achievement of the objectives and to calculate the exact number of shares to be awarded for these items, the Board of Directors has agreed a performance scale for each objective at the start of each cycle, according to a proposal made by the Nomination and Remuneration Committee. This will include: (i) a minimum threshold below which no incentive is paid and its achievement will result in the award of 50% of the theoretical number of granted shares; (ii) a target level that will result in the award of 100% of the theoretical number of granted shares; and (iii) a maximum level that will imply an award of 150% of the theoretical number of granted shares (200% in the event of Total Shareholder Return).

APPENDIX II – STATISTICS OF THE ANNUAL REPORT ON THE  
REMUNERATION OF DIRECTORS FOR LISTED COMPANIES (Circular  
3/2021, of September 28, of the CNMV)





## ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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### ISSUER IDENTIFICATION

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Ending date of reference period: ( 31/12/2023 )

CIF: ( A-28027399 )

Corporate Name:

( **INMOBILIARIA COLONIAL, SOCIMI, S.A.** )

Registered Office:

( PASEO DE LA CASTELLANA, 52, 28046 MADRID )

**B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED**

- B.4.** Report on the result of the consultative vote at the general shareholders' meeting on remuneration in the previous year, indicating the number of votes against that may have been cast

	<b>Number</b>	<b>% of total</b>
Votes cast	421,107,828	78.04

	<b>Number</b>	<b>% of cast</b>
Votes against	118,159,491	28.06
Votes in favour	302,948,337	71.94
Blank ballots		
Abstentions		



**C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

Name	Type	Period of accrual in the financial year 2023
JUAN JOSÉ BRUGERA CLAVERO	Chair Other External	From 01/01/2023 to 31/12/2023
PEDRO VIÑOLAS SERRA	Chief Executive Director	From 01/01/2023 to 31/12/2023
SHEIK ALI JASSIM M.J.AL-THANI	Proprietary Director	From 01/01/2023 to 31/12/2023
GIULIANO ROTONDO	Proprietary Director	From 18/10/2023 to 31/12/2023
JUAN CARLOS GARCÍA CAÑIZARES	Proprietary Director	From 01/01/2023 to 31/12/2023
CARLOS FERNÁNDEZ GONZÁLEZ	Proprietary Director	From 01/01/2023 to 31/12/2023
SILVIA ALONSO-CASTRILLO ALLAIN	Independent Director	From 01/01/2023 to 31/12/2023
LUIS MALUQUER TREPAT	Independent Director	From 01/01/2023 to 31/12/2023
ANA LUCRECIA BOLADO VALLE	Independent Director	From 01/01/2023 to 31/12/2023
ANA CRISTINA PERALTA MORENO	Independent Director	From 01/01/2023 to 31/12/2023
BEGOÑA ORGAMBIDE GARCÍA	Proprietary Director	From 01/01/2023 to 31/12/2023
MIRIAM GONZÁLEZ AMÉZQUETA	Independent Director	From 15/06/2023 to 31/12/2023
MANUEL PUIG ROCHA	Proprietary Director	From 15/06/2023 to 31/12/2023
ADNANE MOUSANNIF	Proprietary Director	From 01/01/2023 to 18/10/2023

**C.1.** Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousands of €)

Name	Fixed Remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payment	Other items	Total in 2023	Total in 2022
JUAN JOSÉ BRUGERA CLAVERO	550	83			5				638	3,920
PEDRO VIÑOLAS SERRA				750	946				1,696	1,513
SHEIK ALI JASSIM M.J.AL-THANI	50	55							105	100
GIULIANO ROTONDO	10	15							25	
JUAN CARLOS GARCÍA CAÑIZARES	50	89	25						164	147
CARLOS FERNÁNDEZ GONZÁLEZ	50	55							105	95
SILVIA ALONSO-CASTRILLO ALLAIN	50	110	25						185	169
LUIS MALUQUER TREPAT	50	133	50						233	241
ANA LUCRECIA BOLADO VALLE	50	152	75						277	262
ANA CRISTINA PERALTA MORENO	50	110	50						210	207
BEGOÑA ORGAMBIDE GARCÍA	50	85	25						160	33
MIRIAM GONZÁLEZ AMÉZQUETA	27	42	13						82	
MANUEL PUIG ROCHA	27	20							47	
ADNANE MOUSANNIF	40	81	20						141	161



ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments.

Name	Name of Plan	Financial instruments at start of 2023		Financial instruments granted during 2023		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ consolidated	Price of the consolidated shares	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
JUAN JOSÉ BRUGERA CLAVERO	2021 Deferred annual variable remuneration	21,912	21,912			21,912	21,912	5.97	131			0
PEDRO VIÑOLAS SERRA	2021 Deferred annual variable remuneration	21,912	21,912			21,912	21,912	5.97	131			0
PEDRO VIÑOLAS SERRA	2021-2023 Cycle	275,399	275,399			43,392	43,392	5.77	250	232,007		0
PEDRO VIÑOLAS SERRA	Dividend equivalents 2021-2023 Cycle			4,998	4,998	4,998	4,998	5.77	29			0
PEDRO VIÑOLAS SERRA	2022-2024 Cycle	279,156	279,156									279,156
PEDRO VIÑOLAS SERRA	2023-2025 Cycle			376,254	376,254							376,254

## iii) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system
PEDRO VIÑOLAS SERRA	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022
PEDRO VIÑOLAS SERRA			112	112			850	738

## v) Details of other items

Name	Item	Remuneration amount
PEDRO VIÑOLAS SERRA	Remuneration in kind	66



b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousands of €)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payment	Other items	Total in 2023	Total in 2022
SHEIK ALI JASSIM M.J.AL-THANI	20	12							32	38
LUIS MALQUER TREPAT										14

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Nombre	Name of Plan	Financial instruments at start of 2023		Financial instruments granted during 2023		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ consolidated	Price of the consolidated shares	Net profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares

iii) Long-term saving systems

Name	Remuneration from consolidation of rights to saving systems
No data	

Name	Remuneration from consolidation of rights to saving systems
No data	

Name	Contribution over the year from the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Saving systems with consolidated economic rights		Saving systems with unconsolidated economic rights		Saving systems with Consolidated economic rights		Saving systems with unconsolidated economic rights	
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022
No data								

iv) **Details of other items**

Name	Item	Remuneration amount
No data	Item	



c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company					Remuneration accrued in group companies					
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2023 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2023 group	Total 2023 company + group
JUAN JOSÉ BRUGERA CLAVERO	633	131		0	769					0	769
PEDRO VIÑOLAS SERRA	1,696	410		66	2,172					0	2,172
SHEIK ALI JASSIM M.J.AL-THANI	105				105	32				32	137
GIULIANO ROTONDO	25				25					0	25
JUAN CARLOS GARCÍA CAÑIZARES	164				164					0	164
CARLOS FERNÁNDEZ GONZÁLEZ	105				105					0	105
SILVIA ALONSO-CASTRILLO ALLAIN	185				185					0	185
LUIS MALUQUER TREPAT	233				233	0				0	233
ANA LUCRECIA BOLADO VALLE	277				277					0	277
ANA CRISTINA PERALTA MORENO	210				210					0	210
BEGOÑA ORGAMBIDE GARCÍA	160				160					0	160



## ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Name	Remuneration accrued in the company					Remuneration accrued in group companies					
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2023 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2023 group	Total 2023 company + group
MIRIAM GONZÁLEZ AMÉZQUETA	82				82					0	82
MANUEL PUIG ROCHA	47				47					0	47
ADNANE MOUSANNIF	141				141					0	141
<b>TOTAL</b>	<b>4,068</b>	<b>541</b>	<b>0</b>	<b>66</b>	<b>4,675</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,707</b>

**C.2** Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2023	% Variation 2023/2022	Year 2022	% Variation 2022/2021	Year 2021	% Variation 2021/2020	Year 2020	% Variation 2020/2019	Year 2019
<b>Executive Directors</b>									
PEDRO VIÑOLAS SERRA	2,172	28.90	1,685	-40.38	2,826	17.26	2,410	-21.34	3,064
<b>External Directors</b>									
JUAN JOSÉ BRUGERA CLAVERO	769	-83.82	4,754	78.12	2,669	31.67	2,027	-6.93	2,178
SHEIK ALI JASSIM M.J.AL-THANI	137	-0.72	138	-8.61	151	-5.03	159	33.61	119
GIULIANO ROTONDO	25	--		--		--		--	
JUAN CARLOS GARCÍA CAÑIZARES	164	11.56	147	-3.29	152	-8.98	167	32.54	126
CARLOS FERNÁNDEZ GONZÁLEZ	105	10.53	95	-13.64	110	0.00	110	26.44	87
SILVIA ALONSO-CASTRILLO ALLAIN	185	9.47	169	-6.63	181	29.29	140	70.73	82
LUIS MALUQUER TREPAT	233	-8.63	255	-27.97	354	15.31	307	37.67	223
ANA LUCRECIA BOLADO VALLE	277	5.73	262	18.55	221	16.32	190	175.36	69
ANA CRISTINA PERALTA MORENO	210	1.45	207	-5.91	220	17.65	187	192.19	64
BEGOÑA ORGAMBIDE GARCÍA	160	384.85	33	--		--		--	
MIRIAM GONZÁLEZ AMÉZQUETA	82	--		--		--		--	
MANUEL PUIG ROCHA	47	--		--		--		--	
ADNANE MOUSANNIF	141	-12.42	161	-9.04	177	5.99	167	22.79	136
<b>Company consolidated results</b>	-1,215,254	--	41,992	-92.55	563,374	769.31	64,807	-93.61	1,014,782
<b>Average employee remuneration</b>	93	6.90	87	-23.68	114	22.58	93	5.68	88



**D. OTHER RELEVANT INFORMATION**

This annual remuneration report has been approved by the Board of Directors of the company on:

( 29/02/2024 )

State whether any director has voted against or abstained from approving this report

( ) Yes

( ✓ ) No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons