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**INTERNAL RULES OF CONDUCT FOR MERLIN  
PROPERTIES, SOCIMI, S.A. IN MATTERS  
RELATING TO SECURITIES MARKETS**

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**Current text approved by the Board on 14 October 2021**

**INTERNAL RULES OF CONDUCT FOR  
MERLIN PROPERTIES, SOCIMI, S.A. IN  
MATTERS RELATING TO SECURITIES  
MARKETS**

**CHAPTER I**

**DEFINITIONS AND SCOPE**

**ARTICLE 1.- INTRODUCTION**

1. This Internal Rules of Conduct on Matters related to Securities Markets (the **Internal Rules of Conduct** or **Rules**) are approved and will be sent to the Spanish National Securities Market Commission ( **CNMV**), in compliance with section 225 of Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Spanish Securities Market Act [*Ley del Mercado de Valores*] (the **Spanish Securities Market Act**), as drafted by Royal Decree-Law 19/2018, of 23 November, on payment services and other urgent financial measures, which transposed Regulation (EU) No 596/2014, of the European Parliament and of the Council of 16 April 2014 on Market Abuse, into Spanish law.

2. In any case, in application of these Rules and in the actions performed under its regulatory scope, the current securities market law affecting the specific scope of activity of Merlin Properties, SOCIMI, S.A. (the **Company**) must be observed.

**ARTICLE 2.- DEFINITIONS**

For the purposes of these Internal Rules of Conduct, the following definitions will apply:

**Directors:** the Company's Board members and the Board members of the Merlin Group companies.

**Senior Executives:** Managers, who are not directors, and who have regular access to inside information relating directly or indirectly to that entity, as well as competence to adopt management decisions that affect the future evolution and business prospects of that entity.

**External advisors:** natural or legal persons and, in the latter case, their directors, executives or employees who, without being considered Company employees, provide advisory, consulting or other services similar to the Merlin Group, and who, as a result, have access to Inside Information.

**Merlin Group:** Merlin Properties, SOCIMI, S.A. and those investee subsidiaries that are, with regard to it, in any of the situations envisaged in section 42 of the Commercial Code.

**Inside Information:** any specific information that directly or indirectly refers to one or several Affected Securities (as defined below) to the Company or to any of its Group companies that has not been made public and that, if made or made public, could significantly influence or influence the quotation of the Affected Securities or related derivative instruments.

It will be considered information that:

- (i) can significantly influence the market price of the Affected Securities or related

derivative instruments (e.g. financial instruments, derivative financial instruments, etc.) that information that a reasonable investor would likely use as one of the elements of the basic rationale of its investment decisions;

- (ii) is specific if it refers to a series of circumstances that arise or that can reasonably be expected to occur, or to a fact that has happened or that can reasonably be expected to occur, provided that that information is sufficiently specific to allow a conclusion to be drawn on the effects that those circumstances or that fact may have on the prices of financial instruments or related derivative instruments. In this regard, if this is a lengthy process within the time it is intended to generate or that results in certain circumstances or a specific fact, it may be considered specific information both that future circumstance or that fact and the intermediate stages of that process that are linked to the generation or provocation of that future circumstance or event. An intermediate stage of a prolonged process over time will be considered Inside Information if, on its own, it meets the criteria relating to the Inside Information mentioned in this definition.

**Affected Persons:** persons subject to this Internal Rules of Conduct and detailed in Article 3 below.

**Managers:** Directors and Senior Managers will be understood as such.

**Connected persons:** in relation to the Affected Persons: (i) their spouse or person with a similar relationship of affection, in accordance with national law; (ii) the children they have in their charge; (iii) those other relatives who live with it or are in their charge, at least one year before the date of performance of an operation; (iv) any legal person or any fiduciary legal business in which the Affected Person or any of the persons envisaged in the preceding paragraphs hold a management position or are in charge of its management; or are directly or indirectly controlled by the Affected Person; or has been created for its benefit; or whose economic interests are largely equivalent to those of the Affected Person; or (v) the persons interposed, with the understanding that they carry out transactions over the values on behalf of the Affected Persons.

**MAR:** means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council, and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as well as their implementing regulations.

**Treasury Stock Manager:** The Director of Consolidation and Administration, in charge of controlling daily operations, controlling the resulting positions, verifying that at all times the legal requirements for the purchase of own shares are met, according to the MAR and the Spanish LSC and the circulars issued for this purpose by the CNMV and other securities market regulatory bodies.

**Secretariat:** The Company's Board Secretariat, which, in accordance with Article 17 of these Regulations, will be responsible for supervising the effective compliance with the obligations envisaged in these Internal Rules of Conducts. The Secretariat will consist of the Secretary, Deputy Secretary, where applicable, and other persons that may be designated by the Secretariat to perform their functions.

**Company:** Merlin Properties, SOCIMI, S.A., registered at the Commercial Registry of Madrid in volume 32065, section 8 of the Companies Book, page 206, sheet number M-577086 and tax identification number A-86977790.

**Regulatory Compliance Unit:** in accordance with Article 18 of these Regulations, the members designated by the Board as responsible for monitoring and controlling

compliance with these Internal Rules of Conducts, as well as any communications to the CNMV.

**Affected Securities:** (i) securities (including shares and securities comparable to shares, debentures or other forms of securitised debt or convertible or exchangeable securitised debt due to shares or other securities comparable to shares) issued by the Company and/or the entities of its Group, admitted to trading or for which admission to trading has been requested in an official secondary market or other regulated markets, in multilateral trading systems, organised procurement systems or in other organised secondary markets; (ii) financial instruments and contracts of any type that grant a right of subscription, acquisition or transfer over the above securities; (iii) financial instruments and contracts, including those not traded in underlying markets, which are securities, instruments or contracts of those indicated above; (iv) instruments issued or guaranteed by the Company or companies of its Group and whose market price may have a significant impact on the price of the securities, or vice-versa; and (v) securities, instruments and contracts of entities other than the Company and those included in its Group with regard to which the Affected Persons and External Advisers have obtained their Inside Information due to their relationship with the Company and, in any case, when expressly determined by the Compliance Unit in accordance with these Rules.

### **ARTICLE 3.- SUBJECTIVE SCOPE**

1. Unless otherwise established, this Internal Rules of Conduct will apply to:
  - (a) Managers;
  - (b) the Secretary and, where applicable, Deputy Secretary of the Board of Directors of the Company and the governing bodies of the Merlin Group companies;
  - (c) executives and employees determined, both of the Company and its investee companies, and who perform their work in areas related to the securities markets or who usually have access to the Inside Information directly or indirectly related to the Company and its investee companies and, in all cases, persons forming part of the Company's Financial Management and Business Development departments.
  - (d) External Advisers;
  - (e) any other person who has access to Inside Information in the Company and the Merlin Group; and
  - (f) any other person or group of persons that fall under the scope of the Rules by decision of the Board of Directors of the Company or the Regulatory Compliance Unit, in view of the circumstances in each case.
2. The Regulatory Compliance Unit will maintain an updated list of Affected Persons at all times.
3. The Regulatory Compliance Unit must inform the Affected Persons of the subject matter of this Internal Rules of Conduct by internal communication. Its recipient must record its receipt and acceptance by signing the letter appearing as **Schedule 1** to this Internal Rules of Conduct.

## **CHAPTER II TRANSACTIONS IN AFFECTED SECURITIES**

## **ARTICLE 4. CONCEPT**

1. **Transactions with Affected Securities** are those made by Affected Persons with the Affected Securities.
2. For the purposes of the preceding section, transactions are understood to be any transactions or contracts by virtue of which Affected Securities or voting rights attached to them are acquired, transferred, assigned, directly or indirectly, on one's own account or on behalf of third parties, in cash, as forwards or futures, or subscription, acquisition or transfer rights (including call and put options) by which those Affected Securities are constituted.
3. Likewise, for the purposes of section 1 above, Transactions in Affected Securities are deemed to have been carried out by Affected Persons, not only when they are carried out by those persons directly, but also when they are carried out by any Closely Connected Person.

## **ARTICLE 5.- LIMITATIONS ON TRANSACTIONS IN AFFECTED SECURITIES**

1. Affected Persons will refrain from performing Transactions with Affected Securities:
  - (a) when they have Inside Information on the Affected Securities or their issuer;
  - (b) during the following restricted action periods:
    - (i) from when they have any information on the periodic public information that the Company must send to the CNMV and the Stock Exchange Management Corporations and, in any case, as from thirty (30) days prior to the calendar established by the Company for the publication of its results and, failing that, to the end of the legal deadline for that publication;
    - (ii) from when they have any information on proposals for dividend distributions, capital increases or reductions, or issues of convertible securities of the Company, to their general publication; and
    - (iii) from when they have any other Inside Information until it is disseminated or made public knowledge.
  - (c) when expressly determined by the Regulatory Compliance Unit or the Board, in view of compliance with these Rules.
2. Affected Persons will also refrain from cancelling or modifying any orders relating to Affected Securities, when the orders were given before the Affected Person had knowledge of the Inside Information
3. In exceptional cases (such as serious illness, loss of significant assets and exceptional asset losses that have not been the responsibility of the person in question), Affected Persons may be exempted from complying with the restriction (b) or (c) above by the Regulatory Compliance Unit, which will analyse exemption requests individually and taking into account the circumstances of the specific case, decide on the appropriateness of granting the exemption, in which case it will leave a written record of the reasons why it was granted and the exceptional situation. In any case, if the Regulatory Compliance Unit deems it appropriate, it will consult with the Secretariat on whether or not to grant the exemption in view of the exceptional circumstances.
4. The limitations indicated in paragraph 1 above will not be considered subject to

the Company's share deliveries as remuneration in application of a remuneration plan in kind or the subscription of shares in capital increases against reserves, in exercise of the free allocation rights granted. However, the limitation will apply to the sale of those free allocation rights or the shares received as remuneration in kind or subscribed in the exercise of those free allocation rights.

## **ARTICLE 6.- REPORTING OF TRANSACTIONS ON AFFECTED SECURITIES**

1. Without prejudice to any other public communication obligations that may result from the applicable regulations in force at any given time, Affected Persons must declare to the Regulatory Compliance Unit the Affected Securities Transactions carried out on their own account or on behalf of others, at any time after performing that transaction and, in any case, within the following three (3) business days, in a detailed communication, based on the model for this purpose, addressed to the Regulatory Compliance Unit, describing those transactions, with expression of the date, holder, type, volume, price of the transaction, the number and description of the Affected Securities, the proportion of voting rights attributed to the Affected Securities in their possession after the transaction, and the market in which the transaction has been carried out. Transactions carried out by Closely Connected Persons, in which case their name must be stated in the notification, will be treated in the same way as transactions on one's own account and must be declared.

The preceding paragraph will apply regardless of the volume of Securities Transactions carried out on one's own account or as an employee within a calendar year; in that regard, the Company will follow the practise that all transactions performed by Affected Persons must be reported to the Regulatory Compliance Unit, regardless of the amount and threshold established by the applicable regulations, at any given time.

In the case of directors, the obligation to notify the Regulatory Compliance Unit of the proportion of voting rights attributed to the Affected Securities in their possession will also apply at the time of acceptance of their appointment and removal as directors, starting from the business day following their acceptance, in the case of appointment.

2. The following will not be subject to the obligation established in the previous paragraph (without prejudice to any public communication obligations that may result from the applicable regulations in force at any given time):
- (a) securities transactions ordered without any involvement of the Affected Persons, by the entities to which they have consistently entrusted responsibility for managing their securities portfolios.

In this case, the Affected Persons must notify the Regulatory Compliance Unit of the existence of these contracts within three (3) business days of their signature, and the identity of the management entity, in addition to submitting the information they receive on a quarterly basis, indicating at least the date, number and type of transactions performed where the object was Affected Securities.

In any case, Affected Persons entering into a portfolio management contract:

- (i) must ensure that the management entity and its portfolio manager are aware of the standards of conduct to which they are subject and that both act accordingly; and
- (ii) order the management entity to satisfy any information requirements that the Regulatory Compliance Unit or the Secretariat may issue it in relation to Securities Transactions;

- (b) transactions arising from exercising the granting of options on Affected Securities when those options have been granted individually by the Company to any of the Affected Persons within the framework of Company stock option plans approved by the Board or any other remuneration system referring to the value of the shares that entails acquiring or delivering shares; and
3. The Regulatory Compliance Unit and the Secretariat may require any Affected Person to provide additional information on any transactions that may be considered Affected Securities Transactions for the purposes of these Rules. Affected Persons must respond to that request within three (3) business days of their receipt.
  4. Unless otherwise indicated in these Rules, the Regulatory Compliance Unit will keep on file any communications, notifications and any other actions related to the obligations contained in these Internal Rules of Conduct. The data in that file will be strictly confidential. The Regulatory Compliance Unit will regularly ask the interested parties to confirm the balances of the Affected Securities included in the file.
  5. The preceding sections are without prejudice to the obligations of Directors and Persons Closely Connected with them to notify the CNMV of Transactions in Affected Securities, in compliance with the applicable regulations.
  6. Without prejudice to the above, Affected Persons must also comply with the law in force at any given time regarding the communication of significant shareholdings.

### **CHAPTER III HANDLING INSIDE INFORMATION**

#### **ARTICLE 8.- INSIDE INFORMATION**

1. In accordance with the applicable regulations, the following conduct must be observed in relation to any Inside Information that may exist within the scope of the Company, whether in relation to Affected Securities or in relation to others, as a result of studies and trading by the Company:
  - (a) knowledge of the information will be limited strictly to those persons, internal or external to the organisation, whose participation is essential.
  - (b) a Record Book will be carried, the custody of which will correspond to the Regulatory Compliance Unit, which will record, separately for each transaction, at least, the identity and contact details of persons with access to Inside Information, the reason for their inclusion in the Record Book, the date and time from which that person had access to the Inside Information and the date and time of the preparation or updating of the list of persons with access to Inside Information. This Record Book must be in accordance with any legal models that may be established by securities market regulatory authorities.
  - (c) the Record Book must be updated immediately in the following cases:
    - (i) when there is a change in the reasons why a given person appears in the Register Book;
    - (ii) when it is necessary to add a new person to the Record Book, in which case the date and time on which that circumstance occurred will be recorded; and

- (iii) when a person recorded in the Record Book ceases to have access to Inside Information; in this case, the date and time on which that circumstance occurred will be recorded;

No reference need be included in the Record Book in relation to transactions or processes of a recurring nature (such as the preparation of annual accounts and regulated financial information) involving only persons permanently included in the Record Book;

- (d) the Record Book will be stored for at least five (5) years from its preparation or updating;
- (e) security measures must be implemented to safe-keep, file, access, reproduce, and distribute the information
- (f) The Regulatory Compliance Unit will expressly notify the persons included in the Record Book of the inside nature of the information they have, of their inclusion in the Record Book as persons with knowledge of the information, of their duty of confidentiality, of the prohibition against its use taking into account the prohibitions detailed in these Rules, and of any infringements and sanctions that may arise from inappropriate use;
- (g) when announcing the existence of Inside Information that may affect Affected Securities, the Regulatory Compliance Unit will immediately notify the persons authorised to give investment orders or divest from treasury stock, who must refrain from performing any transaction as long as that situation persists;
- (h) the market evolution of the Securities Affected by the Inside Information and the news that the professional distributors of economic information and the media issue and that could affect them, will be monitored.

For these purposes, in the event of an abnormal evolution of the contracted volumes or prices negotiated, the Regulatory Compliance Unit will immediately notify the Chair of the Board and the Secretariat, who, if necessary, will take the appropriate measures.

- 2. Affected Persons with any type of Inside Information must refrain from:
  - (a) Performing or attempting Insider Trading, which will include the use of this type of information, whether on their own account or on behalf of third parties, or from cancelling or modifying an order relating to the Securities to which the Inside Information refers, when the order was given before the Inside Information was made known. They must also refrain from merely attempting to perform any of the above operations.
  - (b) recommending or inducing another person to engage in Insider Trading in Affected Securities, which will mean recommending that someone engage in Insider Trading or inducing a person to engage in Insider Trading by a person in possession of such information
    - a. recommending, based on that information, that another person acquire, transfer or assign the Affected Securities to which the information refers, or inducing that person to perform the acquisition, transfer or assignment, or
    - b. recommending, based on that information, that another person cancel or modify an order relating to the financial instrument to which the information refers, or inducing that person to make that cancellation or



amendment; or

(c) unlawfully communicating inside information.

3. For the purposes of the above, unless the CNMV determines that there is no legitimate reason for its performance, a person subject to these Rules that holds Inside Information will not be considered to have operated with it in the following cases:

(a) Provided that the person performs an operation to acquire, transfer or assign Affected Securities and this transaction is carried out in good faith in compliance with an obligation due and not to circumvent the prohibition against Insider Trading, and:

(i) that obligation derives from a order given or agreement entered into before the person in question became aware of the Inside Information, whether made by a manager under a discretionary portfolio management contract signed by the Affected Person, or by their respective Closely Connected Persons; or

(ii) the purpose of the transaction was to comply with a legal or regulatory provision prior to the date on which the person in question became aware of the Inside Information.

(b) In general, those carried out in accordance with the applicable regulations.

4. Affected Persons with any type of Inside Information must also:

(a) safeguard it, without prejudice to their duty to report to and collaborate with judicial and administrative authorities in accordance with the Spanish Securities Market Act and other applicable legislation;

(b) adopt appropriate measures to prevent the Inside Information from being abusively or unfairly used;

(c) abstain from any comment or reference about it, to third parties or in places where the conversation may be heard by others; and

(d) immediately notify the Regulatory Compliance Unit of any abusive or unfair use of Inside Information that they are aware of.

3. Without prejudice to the above, in the case of External Advisers, their access to Inside Information will require that they previously sign a confidentiality commitment, in which they will be informed of the nature of the information provided to them and the obligations they assume in this regard, as well as their inclusion in the Recprd Book.

## **ARTICLE 9.- PUBLIC DISCLOSURE OF INSIDE INFORMATION**

1. As long as it has not been disseminated due to not having reached the appropriate forum for this, Inside Information will be considered as such, unless the immediacy of the publication of the Inside Information makes it unnecessary.

2. To assess the degree of potential relevance of a information and its possible identification as Inside Information, the Company will use, among others, the following criteria:

(a) the relative magnitude of the event, decision or set of circumstances in the

Company's activity;

- (b) the relevance of the information in relation to the determining factors of the price of the Affected Securities, distinguishing in particular whether they are fixed-income or equity securities;
- (c) the listing terms of the affected securities;
- (d) the fact that in the past similar information has been considered Inside Information or that issuers in the same sector or market usually publish it as Inside Information;
- (e) the effect the same type of information disseminated in the past had on prices;
- (f) the importance that existing external analyses of the Company attach to that type of information; and
- (g) the existence of rational evidence, in the event of an abnormal evolution in the volumes purchased or in the prices negotiated during the study or negotiation phases of any type of legal or financial transaction that may significantly affect the price of the affected securities or financial instruments, that this evolution is taking place as a result of a premature, partial or distorted dissemination of the transaction.

3. The Company will communicate the Inside Information to the CNMV and simultaneously disseminate it on its website and, where applicable, through other means of communication, as soon as possible, although always within the maximum periods established for each situation by the regulations in force at any given time.

The Company will post all Inside Information that must be made public on its website and keep it posted there for at least five (5) years.

The content of the Inside Information disseminated to the market through any information or communication channel other than the CNMV must be consistent with what was communicated to the CNMV. Likewise, when there is a significant change in the Inside Information that has been communicated, it must be disseminated to the market immediately.

Notwithstanding the above, if the Inside Information may disrupt the normal performance of transactions on the Affected Securities or jeopardise investor protection, the Company must communicate the Inside Information, prior to its publication, to the CNMV, which will immediately disseminate it.

As an exception, the Company may, under its responsibility, delay the publication and dissemination of the Inside Information when it considers that the information may harm its legitimate interests, provided that the omission would not be capable of confusing the public and that the Company may guarantee the confidentiality of that information.

The decision to delay the publication of inside information must be documented in terms of the body or position responsible for making that decision, indicating its date and time. This documentation will constitute the communication that may be required in the event of a request by the CNMV.

The Company will publish the information as soon as possible and will ensure by strict supervision of the process that the requirements guaranteeing the confidentiality of the information are met at all times. It will also closely monitor any news or rumours that may affect it.

In the case of a protracted process that takes place in different stages that is intended to generate, or that results in, certain circumstances or a specific event, the Company may delay the public disclosure of Inside Information relating to that process, subject to the preceding paragraph.

If the Company delays disclosure of the Inside Information pursuant to this paragraph, it must notify the CNMV in accordance with the regulations applicable at any given time immediately after making it public, submitting, if necessary or if so required, a written explanation on how the conditions established to ensure the confidentiality of that information were met.

If disclosure of the Inside Information is delayed in accordance with the above paragraphs and the confidentiality of the Inside Information is no longer guaranteed, the Company will make that information public as soon as possible.

4. The Regulatory Compliance Unit, or the person or persons designated by it for that purpose, will periodically monitor that the content on the Company's corporate website is in accordance with that requirement and, in general, with all the information requirements from being a listed company.

5. The Regulatory Compliance Unit, after consulting the Chair of the Board and the Board Secretariat, will confirm or deny, as applicable, public information on circumstances that are considered Inside Information.

6. In order to ensure that the Inside Information is transmitted to the market on a symmetrical and equitable basis, Affected Persons must refrain from providing analysts, shareholders, investors or press with information the content of which is considered Inside Information, which prior to or at the same time has not been provided to the market in general.

7. Affected Persons must endeavour, with the utmost diligence, to properly preserve the Inside Information and to keep it strictly confidential, so that the normal price of the Affected Securities may not be affected by it being known to third parties.

8. The content of the communication must, in addition to the current regulations on insider information at any given time, comply with the following rules:

- (a) it must be truthful, clear and complete, and its disclosure must be made in a neutral manner, without bias or value judgements that pre-empt or distort its scope;
- (b) where possible, it must be quantified. When approximate data are reported, this circumstance will be specified and, where possible, an estimated range will be provided;
- (c) it must include any background, references or comparison points that may be considered appropriate, to facilitate its understanding and scope; and
- (d) where it refers to decisions, agreements or projects the effectiveness of which is conditional upon prior authorisation or subsequent approval or ratification by another body, person, entity or public authority, this circumstance must be specified.

9. Where possible, communication of Inside Information will be carried out with the market closed to avoid distortions in trading of the Affected Securities.

## **ARTICLE 10.- MARKET MANIPULATION**

1. Pursuant to Article 12 of the MAR, Affected Persons must refrain from preparing or performing practises that may involve market manipulation.

2. For these purposes, market manipulation will include the following activities:

- (a) executing a transaction or issuing a trading order or any other conduct that:
  - (i) conveys or may convey false or misleading signals as to the supply, demand or price of the Affected Securities; or
  - (ii) sets or may set the price of one or more Affected Values at an abnormal or artificial level,

unless the persons who carried out the transactions or issued the orders demonstrates the legitimacy of their reasons and that they comply with the market practises accepted in the regulated market in question;

- (b) the execution of a transaction, the provision of a trading order or any other activity or conduct that affects or may affect, by fictitious mechanisms or any other form of deception or artifice, the price of one or more Affected Securities.
- (c) disseminating information through the media, including by Internet, or by any other means, conveying or being able to convey false or misleading signals as to the supply, demand or price of the Affected Securities, thus setting the price of one or more Affected Securities, including the dissemination of rumours, at an abnormal or artificial level when the person who disclosed them knew or should have known that the information was false or misleading;
- (d) transmitting false or misleading information or providing false data in relation to a benchmark, where the transmitter or provider of the data knew or ought to have known that it was false or misleading, or any other conduct involving manipulation of the calculation of a benchmark.
- (e) buying or selling Affected Securities at market closing with the effect of misleading investors acting based on closing share prices;
- (f) acting in concert by one or more persons to secure a dominant position over the supply of or demand for an Affected Security resulting in the fixing, directly or indirectly, of buy or sell prices or other unfair trading conditions; and
- (g) taking advantage of occasional or regular access to the traditional or electronic media by expressing an opinion on the Affected Securities or, indirectly, on their issuer, after having taken positions on the Affected Security and having benefited from the impact of the opinion expressed on the price of that Affected Security, without having simultaneously disclosed this conflict of interest to the public in an adequate and effective manner.

## **CHAPTER IV CONFLICTS OF INTEREST**

### **ARTICLE 11.- CONFLICTS OF INTEREST**

1. Affected Persons subject to conflicts of interest must observe the following general principles of action:

- (a) Independence: Affected Persons must act with freedom of judgement at all times, loyal to the Company and its shareholders, independently of their own or others' interests. Accordingly, they must refrain from prioritising their own interests at the expense of those of the Company or those of some investors at the expense of others.
- (b) Abstention: The directors, executives and employees must refrain from participating in or influencing the decision-making process that may affect the persons or entities with which there is a conflict and from accessing inside or relevant information affecting that conflict.
- (c) Communication: Affected Persons must immediately inform the Regulatory Compliance Unit of any possible conflicts of interest they may have with:
  - (i) the Company or any of the Merlin Group companies.
  - (ii) significant suppliers or customers of the Company or the Merlin Group companies.
  - (iii) entities that engage in the same type of business as, or are competitors of, the Company or any of the Merlin Group companies.

2. Any doubt on the possible existence of a conflict of interest must be consulted with the Regulatory Compliance Unit before performing any action that may be considered affected by that conflict of interest. The Regulatory Compliance Unit, in view of the nature of the information, will decide whether to report the situation to the Secretariat, which, where applicable, will adopt the necessary measures, and, if deemed necessary and whenever appropriate in accordance with the Board Regulations, will request a report from the Audit and Control Committee.

3. A conflict of interest will be considered to exist whenever Affected Persons hold any of the following positions with regard to the entities referred to in this Article:

- (a) if they are Directors or Senior Managers;
- (b) if they hold a significant interest (with this being understood, in the case of listed companies in any Spanish or foreign official secondary market, as those referred to in section 125 of Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Spanish Securities Market Act and its implementing legislation, and in the case of unlisted Spanish or foreign companies, any direct or indirect interest in excess of twenty percent of its issued share capital);
- (c) if they are related by up to the second degree of kinship or third degree of consanguinity to its directors, owners of significant shareholdings in its capital or senior management; or
- (d) if they maintain relevant, direct or indirect contractual relationships.

## **CHAPTER V TREASURY STOCK TRANSACTIONS**

### **ARTICLE 12.- TREASURY STOCK**

1. For the purposes of these Rules, **Treasury Share Transactions** refer to transactions carried out by the Company, either directly or through Merlin Group companies, involving the Company's shares, as well as financial instruments or contracts of any kind, whether or not they are traded on organised secondary markets, which grant the right to acquire, or whose underlying asset is, the Company's shares.
2. Within the scope of the authorisation granted by the General Shareholders Meeting, the Company's Board of Directors will be responsible for issuing instructions for carrying out Treasury Stock Transactions.
3. Treasury Stock Transactions will aim to contribute to the liquidity of the Company's shares in the market or to reduce price fluctuations, or any other eligible purposes in accordance with the applicable regulations, and may not be for an intervention in the free price formation process in the market or favour of the Company's specific shareholders.
4. Treasury Stock Transactions may not be performed when there is Inside Information on the Company.
5. Treasury Stock Transactions must be carried out with full transparency in relations with supervisors and market governing bodies.

#### **ARTICLE 13.- ORDINARY TREASURY STOCK TRANSACTIONS**

1. The volume of treasury shares will in no case exceed the limits established by the applicable regulations in force at any given time.
2. Transactions with treasury shares ("**Treasury Stock Transactions**") will be carried out solely within the framework of a repurchase programme referred to in Article 5 of the MAR or pursuant to a market practise accepted in accordance with Article 13 of the MAR.
3. The Company will endeavour to ensure that the management of its treasury shares is kept separate from the rest of its activities and that Treasury Stock Transactions are avoided or reduced during the closed periods established by the applicable regulations.

To this end, the Treasury Stock Manager will undertake a special commitment to confidentiality in relation to Treasury Stock Transactions.

4. In addition to this article, in Treasury Stock Transactions the Company will observe all obligations and requirements deriving from the applicable regulations as well as the criteria set forth in the Treasury Stock Policy, avoiding any conduct that could constitute market abuse.
5. Treasury Stock Transactions carried out by the Company's subsidiaries within the scope of the authorisations granted by the respective General Shareholders Meetings must comply with the criteria established in these Rules and will also be subject to control by the Treasury Stock Manager.
6. The Treasury Stock Manager will be responsible for making the official notifications of Treasury Stock Transactions required under the regulations in force. The Treasury Stock Manager will also maintain, at all times, a record and file of the Treasury Stock Transactions performed by the Company and its subsidiaries.
7. The Company will report, with the frequency required by the applicable regulations in force from time to time, through its website, as well as by any other means it deems appropriate, the volume of treasury stock held by the Company and,

where appropriate, by its subsidiaries, as well as the most significant variations that may occur.

#### **ARTICLE 14.- LIQUIDITY CONTRACTS**

If the Company enters into a liquidity contract with a market member, it must comply with Circular 2/2019, of 27 November, on liquidity contracts for the purpose of its acceptance as a market practise.

### **CHAPTER VI**

#### **SUPERVISION OF COMPLIANCE WITH THE INTERNAL RULES OF CONDUCT**

#### **ARTICLE 15.- SUPERVISION OF COMPLIANCE WITH THE RULES**

1. The Board, with the support of the Compliance Unit and the Secretariat, is responsible for supervising the effective compliance with the obligations envisaged in these Rules, for which purpose it is recognised that it will have the following responsibilities:

- (a) complying with and enforcing the rules of conduct of securities markets and these Rules, their procedures and any other complementary present or future regulations;
- (b) developing and, where applicable, implementing, procedures and rules that are deemed appropriate for applying the Rules;
- (c) promoting knowledge of the Rules and the other rules of conduct for securities markets by persons subject to these Rules;
- (d) interpreting the provisions contained in the Rules and resolving any questions or issues raised by the persons to whom they apply;
- (e) opening disciplinary proceedings against persons subject to these Regulations for breach of these Rules; and
- (f) proposing any amendments or improvements to the Rules that it considers appropriate.

2. The Regulatory Compliance Unit and the Secretariat will have all the necessary authority to perform their functions, with special authority to, *inter alia*:

- (a) request any data or information that they consider necessary from Affected Persons, as well as from the persons and bodies that monitor and control the Merlin Group of companies; and
- (b) establish the information requirements, control rules and other measures they consider appropriate.

3. The Regulatory Compliance Unit will report periodically, and whenever it deems necessary or is required to do so, to the Audit and Compliance Committee of the Company, on the measures adopted to ensure compliance with the Rules, the degree of compliance with them and any incidents that have occurred and the proceedings opened into them during that period.

#### **ARTICLE 16.- REGULATORY COMPLIANCE UNIT**

1. The Board of Directors will appoint the members of the Regulatory Compliance Unit who, under their control, will be responsible for monitoring and overseeing compliance with these Rules, as well as for making the relevant communications to the CNMV, except for Treasury Stock matters, which will be communicated by the Treasury Stock Manager.
2. The Regulatory Compliance Unit must meet, in addition to any requirements under the applicable regulations in force at any given time, the following requirements:
  - (a) it must have effective authority and capacity to respond officially on behalf of the Company and with sufficient speed to those requirements addressed by the CNMV to the open market;
  - (b) it must have access to directors and senior executives, if necessary, to effectively verify, with sufficient speed, any information that the CNMV requests in relation to the dissemination of Inside Information; and
  - (c) it must be reachable at all times, from one hour before the opening of the official secondary markets in which the Company has securities admitted to trading, to two hours after they close.

## **CHAPTER VII**

### **VALIDITY, UPDATES AND BREACHES OF THE RULES**

#### **ARTICLE 17.- VALIDITY**

1. These Internal Rules of Conduct are valid indefinitely and will enter into force on the day on which the Company issues its initial public offering of shares.
2. The Regulatory Compliance Unit will inform the Affected Persons of them, except in the case of Board members, who will be informed by the Secretariat.

#### **ARTICLE 18.- UPDATES**

These Rules will be updated by the Board whenever necessary to adapt their content to the applicable current provisions.

#### **ARTICLE 19.- BREACHES**

1. Failure to comply with these Internal Rules of Conduct will give rise to the corresponding liability depending on the nature of the relationship that the person in breach has with the Company.

The above will be understood without prejudice to the administrative liability arising from the Securities Market Act and any other liabilities resulting from the applicable civil or criminal regulations.



## **ANEXO 1 STATEMENT OF ADHESION**

To the Regulatory Compliance Unit,

I, the undersigned, \_\_\_\_\_, with Tax ID/Passport no. \_\_\_\_\_, declare that I have read the Internal Rules of Conduct for the Securities Market (the Rules) available at MERLIN's website (<https://www.merlinproperties.com/wp-content/uploads/2016/12/Reglamento-Interno-de-Conducta-2.pdf>), and expressly assent to their content.

I also declare that I and my Closely Connected Persons (as this term is defined in the Rules, see Annex II) will notify MERLIN's Regulatory Compliance Unit of any transactions they have carried out with Affected Securities (as this term is defined in the Rules), directly or indirectly, on any market or platform and through any settlement and custody procedure and under any jurisdiction before the end of the third business day following the date on which the transaction was carried out. These communications must be made when performing each transaction.

I also declare that I have been informed that:

(i) Inadequate use of the Inside Information to which I may have access could constitute a very serious administrative infringement, as well as an offence of abuse of insider information in the stock market (sections 285 and 286 of the Spanish Criminal Code [*Código Penal*]).

(ii) Inadequate use of Inside Information may be sanctioned with fines, public warnings, dismissal and imprisonment.

Finally, the name and data I have provided may be included in Merlin's Affected Persons register, where the identity of persons with access to Inside Information will be recorded for each transaction in accordance with the Rules.

The data collected through this form, as well as in Anexes II and III, will be processed by MERLIN PROPERTIES, SOCIMI, S.A. ("MERLIN"), with address at Paseo de la Castellana, 257, 3ª Planta, 28046, Madrid, to verify compliance with EU Regulation 596/2014, the consolidated text of the Securities Market Act, and the Criminal Code [*Ley Orgánica 10/1995 de 23 noviembre*], on market abuse, based on compliance with the applicable regulations.

The data will not be assigned to third parties, except for authorities to which MERLIN is obliged to submit information. The data will be stored for these purposes for as long as the data subject's relationship with MERLIN lasts and, once this period has ended, for as long as required by the applicable law and until the possible liabilities arising from the relationship with MERLIN are time-barred.

I also state that I have been informed of the possibility of exercising my rights of access, rectification, erasure, objection to and restriction of data processing, and data portability, as well as my right not to be subject to automated decisions, by postal mail to the above address or to the following email address: [protecciondedatos@merlinprop.com](mailto:protecciondedatos@merlinprop.com), attaching a copy of my national identification card. I also state that I have been informed that I can submit complaints to the Spanish Data Protection Agency if I consider that MERLIN has infringed my rights recognised under the applicable data protection regulations (<https://www.aepd.es>).

In \_\_\_\_\_, on \_\_\_\_\_.

## **ANEXO 2 LIST OF CLOSELY RELATED PERSONS**

To the Regulatory Compliance Unit,

I, the undersigned \_\_\_\_\_, with Tax ID/Passport no. \_\_\_\_\_, declare that the persons indicated in this Annex are my Closely Connected Persons.

I also declare that I understand my obligation to notify the Regulatory Compliance Unit immediately of any changes to list of Closely Connected Persons envisaged here (for example, when a new person becomes a Closely Connected Person or when a person ceases to have that status).

Signed:

In \_\_\_\_\_, on \_\_\_\_\_.

### **List of Closely Connected Persons**

<b>Name and surname/company name of the Closely Connected Person</b>	<b>National ID / Passport / Tax ID</b>	<b>Relationship</b>

### **Definition of Closely Connected Persons**

In accordance with Regulation 596/2014, of 26 April, on Market Abuse and in the Internal Code of Conduct, the following are considered to be Closely Connected Persons to Directors and Senior Executives:

- (i) spouses or any person united with them in a similar relationship of affection, in accordance with current law;
- (ii) children under their care, in accordance with national law (cohabitants);
- (iii) relatives who live with them or are under their charge, at least one year before the date of the transaction;
- (iv) any legal person or any trust legal arrangement or partnership in which a Director or Senior Manager or a person referred to in (i), (ii) or (iii) above who holds a directorship or is directly or indirectly controlled by, or was created for the benefit of, or whose economic interests are substantially equivalent to those of, such a person.

### **Personal data protection**

The data collected through this form will be processed by MERLIN PROPERTIES, SOCIMI, SA. ("MERLIN"), with address at Paseo de la Castellana, 257, 3ª Planta, 28046, Madrid, to verify compliance with EU Regulation 596/2014, the consolidated text of the Securities Market Act, and the Criminal Code, on market abuse, based on compliance with the applicable regulations.

The data will not be assigned to third parties, except for authorities to which MERLIN is obliged to submit information. The data will be stored for these purposes for as long as the

data subject's relationship with MERLIN lasts and, once this period has ended, for as long as required by the applicable law and until the possible liabilities arising from the relationship with MERLIN are time-barred.

You also state that you have been informed of the possibility of exercising your rights of access, rectification, erasure, objection to and restriction of data processing, and data portability, as well as your right not to be subject to automated decisions, by postal mail to the above address or to the following email address: [protecciondedatos@merlinprop.com](mailto:protecciondedatos@merlinprop.com), attaching a copy of your national identification card. You may also submit complaints to the Spanish Data Protection Agency if you consider that MERLIN has infringed your rights recognised under the applicable data protection regulations (<https://www.aepd.es>).

### **ANEXO 3. COMMUNICATION TO CLOSELY CONNECTED PERSONS**

Dear Sir/Madam,

Article 19(5) of Regulation (EU) No 596/2014, of April 16, on market abuse requires persons with management responsibilities to notify their Closely Connected Persons of their legal obligations pursuant to that status.

In accordance with the above and by virtue of my position in MERLIN PROPERTIES SOCIMI, S.A. ("MERLIN"), I have the duty to notify my Connected Persons of their status as such and the obligations arising from it.

Therefore, I would like to inform you that you are considered a Closely Connected Person and, consequently, an affected Person, as defined in the MERLIN Internal Rules of Conduct (the "**Rules**"), available on its corporate website (<https://www.merlinproperties.com/wp-content/uploads/2016/12/Reglamento-Interno-de-Conducta-2.pdf>), which means being subject to the Rules and complying with the following obligations:

- Notifying MERLIN's Regulatory Compliance Unit and the National Securities Market Committee (the 'CNMV') of any transactions performed with MERLIN securities. These communications must be made when performing each transaction. It is important to note that MERLIN follows the practise of reporting all transactions carried out by Affected Persons, regardless of the amount and threshold established by the CNMV.

This communication must be made to the CNMV within a maximum of three business days from the date of the transaction and by means of the notification model that can be downloaded from the CNMV website (Form NOD):

<http://www.cnmv.es/Portal/Legislacion/ModelosN/ModelosN.aspx?id=COM>

- Not performing transactions with those securities if you have Inside Information, as defined in current law and in the Rules.

I also informed you that your data will be included in the Merlin Affected Persons register. You must immediately notify the Company of any changes or modifications to your data.

The data collected through this form will be processed by MERLIN PROPERTIES, SOCIMI, S.A. ("MERLIN"), with address at Paseo de la Castellana, 257, 3ª Planta, 28046, Madrid, to verify compliance with EU Regulation 596/2014, the consolidated text of the Securities Market Act, and the Criminal Code, on market abuse, based on compliance with the applicable regulations.

The data will not be assigned to third parties, except for authorities to which MERLIN is obliged to submit information. The data will be stored for these purposes for as long as the data subject's relationship with MERLIN lasts and, once this period has ended, for as long as required by the applicable law and until the possible liabilities arising from the relationship with MERLIN are time-barred.

You also state that you have been informed of the possibility of exercising your rights of access, rectification, erasure, objection to and restriction of data processing, and data portability, as well as your right not to be subject to automated decisions, by postal mail to the above address or to the following email address: [protecciondedatos@merlinprop.com](mailto:protecciondedatos@merlinprop.com), attaching a copy of your national identification card. You may also submit complaints to the Spanish Data Protection Agency if you consider that MERLIN has infringed your rights recognised under the applicable data protection regulations (<https://www.aepd.es>).

In \_\_\_\_\_, on \_\_\_\_\_.

**Name and Signature (Director/Senior Executive)**

Mr/Ms \_\_\_\_\_, with Tax ID/Passport no.. \_\_\_\_\_

Signed: \_\_\_\_\_

**Name and Signature (Closely Connected Person)**

Mr/Ms \_\_\_\_\_, with Tax ID/Passport no.. \_\_\_\_\_

Signed: \_\_\_\_\_