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**REPORT ISSUED BY THE BOARD OF DIRECTORS OF MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. IN RELATION TO THE PROPOSAL FOR THE RE-ELECTION OF DIRECTORS OF THE COMPANY TO BE SUBMITTED FOR APPROVAL AT THE ORDINARY AND EXTRAORDINARY GENERAL MEETING CALLED FOR 30 AND 31 MAY 2023, ON FIRST AND SECOND CALL, RESPECTIVELY, UNDER ITEMS FOUR TO SEVEN OF THE AGENDA**

**1. PURPOSE OF THE REPORT**

The board of directors of Millenium Hospitality Real Estate, SOCIMI, S.A. (the “**Company**”) has issued this report to justify the proposed resolutions to be submitted for approval at the next ordinary and extraordinary general shareholders meeting under items Four to Seven of its Agenda in relation to the re-election of directors of the Company.

In accordance with the provisions of the Regulation of the Board of Directors, the proposal to re-elect members of the board of directors is the responsibility of (i) in the case of independent directors, to the appointments and remuneration committee, which must be accompanied by a justifying report from the board of directors, and (ii) in the case of any other director, to the board of directors, following a favorable report by the appointments and remuneration committee.

As a consequence of the above, and taking into account the proposals made (in the case of the independent directors) or reported favorably (in the case of the other directors) by the appointments and remuneration committee at its meeting held on 26 April 2023, in accordance with the Regulation of the Board of Directors, included separately below is the corresponding report issued by the board of directors evaluating the competence, experience and merits of Mr. Javier Illán Plaza, Mr. José María Castellano Ríos, Mr. Jaime Montalvo Correa and Ms. Isabel Dutilh Carvajal.

It is also stated that this document contains information on the identity, curriculum and category to which the proposed candidates belong.

Consequently, the board of directors issues this report and presents its evaluation on the competence, experience and merit of Mr. Javier Illán Plaza, Mr. José María Castellano Ríos, Mr. Jaime Montalvo Correa and Ms. Isabel Dutilh Carvajal; either in accordance with the favorable report of the appointments and remuneration (**Annex I**) or the proposal made by the appointments and remuneration committee (**Annex II**), as appropriate.

**2. JUSTIFYING REPORT**

**2.1 Mr. Javier Illán Plaza**

*2.1.1 Professional and biographical profile*

The competence, experience and merits of Mr. Javier Illán Plaza can be inferred from his curriculum vitae, which indicates his suitability for the position of executive director.



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Mr. Javier Illán Plaza began his professional career in 1994 in a family business dedicated to construction and property development. During this period, he was actively involved in the development and construction of 600 homes in La Coruña and the Hotel Vilagaros in Baqueira Beret, Spain's most luxurious ski resort.

In 1997, Mr. Illán set up his first company, focusing on property investment projects that included repositioning work. Following this success, in 2000, he founded the Millenium Group as a closed real estate investment vehicle (club deal), which included commercial assets, offices and hotels, located in prime areas of Madrid, whose value strategy was based on repositioning for subsequent rental or sale.

In 2010, alongside the club deal, a residential development division was launched, positioning the Millenium Group as a national reference in luxury residential development, with emblematic buildings such as Plaza de la Independencia 5 (Edificio Millenium), Hermanos Bécquer 4, Alfonso XII no. 24 or Alfonso XII no. 38.

In 2017, he founded Millenium Hospitality Real Estate SOCIMI, S.A., a company whose shares are admitted to trading in the BME Growth segment of BME MTF Equity, one of the 15 SOCIMIs with the highest capitalisation in the Spanish market and a benchmark in the luxury hotel market in Europe.

To date, Mr. Illán has been involved in the acquisition, repositioning and sale of assets worth approximately EUR 1,000 million.

Mr. Javier Illán Plaza is CEO of the Company and a member of its real estate executive committee.

### *2.1.2 Justification of the proposal*

The board of directors subscribes the assessment made by the appointments and remuneration committee and accepts its conclusions. Likewise, the board of directors considers that the background and curriculum of Mr. Javier Illán Plaza, as well as the services provided to the Company since his appointment, confirm that he has the necessary competence, experience and merits to be re-elected as director.

As a result of the foregoing, the board of directors considers the re-election of Mr. Javier Illán Plaza as executive director to be justified and appropriate, in the conviction that such re-election will provide continuity to the management of the Company and its group.

### *2.1.3 Category*

Mr. Javier Illán Plaza has carried out and will continue to carry out management functions at the Company, as a result of being named as an executive director of the Company. Consequently, pursuant to the provisions of applicable regulations, Mr. Illán will be considered an executive director.



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## **2.2 Mr. José María Castellano Ríos**

### *2.2.1 Professional and biographical profile*

The competence, experience and merits of Mr. José María Castellano Ríos can be inferred from his curriculum vitae, which indicates his suitability for the position of proprietary director.

Mr. José María Castellano Ríos holds a PhD in Economics and Business Studies from Universidad Complutense de Madrid, is Professor of Financial Economics and Accounting at Universidad de A Coruña and is a member of the Academy of Economics and Financial Sciences.

From 1985 to 2005, he was a member of the board of Industria de Diseño Textil, S.A. (Inditex) and, since 1997, vice-chair and CEO of the same company. He is considered, together with Mr. Amancio Ortega, to be the architect of the Inditex group's international expansion and consolidation, and its successful IPO in 2001. Mr. Castellano was chair of the ONO telecommunications company from 2008 until its sale to the Vodafone group in 2014. He is currently an independent director of Naturhouse Health, S.A., a company whose shares are admitted to trading on the Spanish Stock Exchanges.

Mr. José María Castellano Ríos is chairman of the audit and risk management committee and member of the appointments and remuneration committee.

### *2.2.2 Justification*

The board of directors subscribes the assessment made by the appointments and remuneration committee and accepts its conclusions. Likewise, the board considers that the professional background and curriculum vitae of Mr. José María Castellano Ríos, as well as the services provided to the Company since his appointment, confirm that he has the necessary competence, experience and merits to be re-elected as director.

As a result of the foregoing, the board of directors considers the re-election of Mr. José María Castellano Ríos as a proprietary director of the Company to be justified and appropriate, in the conviction that he possesses the appropriate competence, experience and merits for the performance of the duties inherent to his position.

### *2.2.3 Category*

Mr. José María Castellano Ríos represents the shareholding of Alazady España, S.L. Consequently, pursuant to the provisions of applicable regulations, Mr. Castellano will be considered a proprietary director.



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## **2.3 Mr. Jaime Montalvo Correa**

### *2.3.1 Professional and biographical profile*

The competence, experience and merits of Mr. Jaime Montalvo Correa can be inferred from his curriculum vitae, which indicates his suitability for the position of independent director.

Mr. Jaime Montalvo Correa holds a PhD in Law from Universidad Complutense de Madrid and has been a Professor of Employment and Social Security Law since 1973, successively, at Universidad del País Vasco, Universidad de Granada, Universidad de Oviedo and Universidad Nacional de Educación a Distancia (UNED).

In addition, Mr. Montalvo has been director of Mutua Madrileña Automovilística, S.S.P.F. since 2006 and vice-chairman of the same company since 2010. He is also a trustee of various entities, including Fundación Mutua Madrileña, Real Instituto Elcano and Fundación Comillas.

In addition to activities in the private sector, Mr. Jaime Montalvo Correa has held positions of significant institutional relevance, both in the Public Administration and in University. He has been chair of the Economic and Social Council, member of the Council of State, chair of the Spanish Court of Arbitration, elected member of the European Institute of Social Security and Rector of the United Nations University for Peace of the United Nations Organisation, Rector of Universidad Nacional de Educación a Distancia (UNED) and trustee of Universidad Internacional Menéndez Pelayo.

Mr. Jaime Montalvo Correa is chair of the appointments and remuneration committee and member of the audit and risk management committee.

### *2.3.2 Justification of the proposal*

The board of directors subscribes the proposal of the appointments and remuneration committee and accepts its conclusions. Likewise, the board considers that the background and curriculum vitae of Mr. Jaime Montalvo Correa, as well as the services provided in the Company since his appointment, confirm that he has the necessary competence, experience and merits to be re-elected as director.

As a result of the foregoing, the board of directors considers the re-election of Mr. Jaime Montalvo Correa as independent director of the Company to be justified and appropriate, in the conviction that he has the appropriate competence, experience and merits to perform the duties inherent to his position.

### *2.3.3 Category*

Mr. Jaime Montalvo Correa has been proposed for re-election based on his personal and professional qualifications, and may perform his duties without being conditioned by relations with the Company, its significant shareholders or its directors. Consequently, he is considered to be an independent director, since, according to the information provided by the director, he meets the requirements established in the applicable legislation.



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## **2.4 Ms. Isabel Dutilh Carvajal**

### *2.4.1 Professional and biographical profile*

The competence, experience and merits of Ms. Isabel Dutilh Carvajal can be inferred from her curriculum vitae, which indicates her suitability for the position of independent director.

Ms. Isabel Dutilh Carvajal holds a law degree from Universidad CEU San Pablo, a master's degree in Maritime Business from Universidad Pontificia de Comillas (ICADE) and the Spanish Maritime Institute and a master's degree in Maritime Law from the University of Wales. She has also completed the "Leadership in law firms" programme at Harvard University.

Ms. Dutilh is a founding partner of Argali Abogados, S.L.P., a law firm specialising in mergers and acquisitions. She is also an independent director of Elecnor, S.A. and a member of its audit and appointments, remuneration and sustainability committees. She is also an independent director of Banco de Alcalá, S.A. and chair of its appointments and remuneration committee and is a member of its supervision and audit committee.

Ms. Isabel Dutilh Carvajal is also chair of the working group for Legal Certainty of Círculo de Empresarios, an organisation of which she was vice-chair from March 2015 to March 2021, and is also a trustee of Fundación Hay Derecho.

Ms. Isabel Dutilh Carvajal is a member of the audit and risk management committee and the appointments and remuneration committee.

### *2.4.2 Justification of the proposal*

The board of directors subscribes the proposal of the appointments and remuneration committee and accepts its conclusions. Likewise, the board considers that the background and curriculum vitae of Ms. Isabel Dutilh Carvajal, as well as the services provided to the Company since her appointment, confirm that she has the necessary competence, experience and merits to be re-elected as director.

As a result of the above, the board of directors considers the re-election of Ms. Isabel Dutilh Carvajal as independent director to be justified and appropriate, in the conviction that she has the appropriate competence, experience and merits to perform the duties inherent to her position.

### *2.4.3 Category*

Ms. Isabel Dutilh Carvajal has been proposed for re-election in view of her personal and professional qualities and can perform her duties without being conditioned by relations with the Company, its significant shareholders or its executives. Consequently, she is considered to be an independent director, since, according to the information provided by the director, she meets the requirements established in the applicable regulations.



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### **3. CONCLUSIONS**

The board of directors, in view of the above:

- acknowledges the favorable report issued by the appointments and remuneration committee for the re-election for the statutory period of four years of Mr. Javier Illán Plaza, as executive director, and of Mr. José María Castellano Ríos, as proprietary director, and considers it justified and appropriate to submit their re-election to the general meeting; and
- considers that the proposal submitted by the appointments and remuneration committee for the ratification and re-election for the statutory period of four years of Mr. Jaime Montalvo Correa and Ms. Isabel Dutilh Carvajal as independent directors of the Company for is justified and appropriate.

### **4. PROPOSED RESOLUTION**

The proposed resolutions to be submitted for approval at the general meeting of shareholders of the Company are as follows:

#### **“ITEM FOUR OF THE AGENDA**

#### ***RE-ELECTION OF MR. JOSE MARÍA CASTELLANO RÍOS AS DIRECTOR, WITH THE CATEGORY OF PROPRIETARY DIRECTOR, FOR THE STATUTORY PERIOD OF FOUR YEARS.***

*To re-elect, at the proposal of the board of directors, Mr. Jose María Castellano Ríos, of legal age, of Spanish nationality, with national ID number [...] in force, and with address for these purposes at Paseo de la Castellana 102, 2º, 28046 Madrid (Spain) as director of Millenium Hospitality Real Estate, SOCIMI, S.A., with the category of “proprietary” for the statutory period of four years as of the date of this general meeting.*

*The proposed resolution for the general meeting is accompanied by a supporting report from the board of directors evaluating the competence, experience and merits of Mr. Jose María Castellano Ríos and the role played within Millenium Hospitality Real Estate, SOCIMI, S.A. since his appointment, as well as a favourable report from the appointments and remunerations committee. The report and the proposal have been made available to the shareholders as from the publication of the notice of the general meeting.*

*Mr. Jose María Castellano Ríos will accept his re-election by any means valid in law.*

#### **ITEM FIVE OF THE AGENDA**



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**RE-ELECTION OF MR. JAIME MONTALVO CORREA AS DIRECTOR, WITH THE CATEGORY OF INDEPENDENT DIRECTOR, FOR THE STATUTORY PERIOD OF FOUR YEARS.**

*To re-elect, at the proposal of the appointments and remuneration committee, Mr. Jaime Montalvo Correa of legal age, of Spanish nationality, with national ID number [...] in force, and with address for these purposes at Paseo de la Castellana 102, 2º, 28046 Madrid (Spain) as director of Millenium Hospitality Real Estate, SOCIMI, S.A., with the category of “proprietary” for the statutory period of four years as of the date of this general meeting.*

*The proposed resolution for the general meeting is accompanied by a supporting report from the board of directors evaluating the competence, experience and merits of Mr. Jaime Montalvo Correa and the role played within Millenium Hospitality Real Estate, SOCIMI, S.A. since his appointment, as well as a favourable report from the appointments and remunerations committee. The report and the proposal have been made available to the shareholders as from the publication of the notice of the general meeting.*

*Mr. Jaime Montalvo Correa will accept his re-election by any means valid in law.*

**ITEM SIX OF THE AGENDA**

**RE-ELECTION OF MS. ISABEL DUTILH CARVAJAL AS DIRECTOR, WITH THE CATEGORY OF INDEPENDENT DIRECTOR, FOR THE STATUTORY PERIOD OF FOUR YEARS.**

*To re-elect, at the proposal of the appointments and remunerations committee, Ms. Isabel Dutilh Carvajal, of legal age, of Spanish nationality, with national ID number [...] in force, and with address for these purposes at Paseo de la Castellana 102, 2º, 28046 Madrid (Spain) as director of Millenium Hospitality Real Estate, SOCIMI, S.A., with the category of “independent” for the statutory period of four years as of the date of this general meeting.*

*The proposed resolution for the general meeting is accompanied by a supporting report from the board of directors evaluating the competence, experience and merits of Ms Isabel Dutilh Carvajal and the role she has played within Millenium Hospitality Real Estate, SOCIMI, S.A. since her appointment, as well as the proposal issued by the appointments and remunerations committee. The report and the proposal have been made available the shareholders as from the publication of the notice of the general meeting.*

*Ms. Isabel Dutilh Carvajal will accept her re-election by any means valid in law.*

**ITEM SEVEN OF THE AGENDA**

**RE-ELECTION OF MR. JAVIER ILLÁN PLAZA AS DIRECTOR, WITH THE CATEGORY OF EXECUTIVE DIRECTOR, FOR THE STATUTORY PERIOD OF FOUR YEARS.**



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*To re-elect, at the proposal of the board of directors, Mr. Javier Illán Plaza, of legal age, of Spanish nationality, with national ID number [...] in force, and with address for these purposes at Paseo de la Castellana 102, 2º, 28046 Madrid (Spain) as director of Millenium Hospitality Real Estate, SOCIMI, S.A., with the category of “executive” for the statutory period of four years as of the date of this general meeting.*

*The proposed resolution for the general meeting is accompanied by a supporting report from the board of directors evaluating the competence, experience and merits of Mr. Javier Illán Plaza and the role played within Millenium Hospitality Real Estate, SOCIMI, S.A. since his appointment, as well as a favourable report from the appointments and remunerations committee. These reports have been made available to the shareholders as from the publication of the notice of the general meeting.*

*Mr. Javier Illán Plaza will accept his re-election by any means valid in law.”*

Madrid, 26 April 2023





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## **ANNEX I**

### **REPORT ISSUED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. IN RELATION TO THE PROPOSAL FOR RE-ELECTION OF MR. JAVIER ILLÁN PLAZA AS EXECUTIVE DIRECTOR AND MR. JOSÉ MARÍA CASTELLANO RÍOS AS PROPRIETARY DIRECTOR OF THE COMPANY**

#### **1. INTRODUCTION**

The appointments and remuneration committee of Millenium Hospitality Real Estate, SOCIMI, S.A. (the "**Company**"), in accordance with article 14.5.v) of the Regulation of the Board of Directors, issues this favourable report in relation to the proposals, to be submitted for approval at the next ordinary and extraordinary general shareholders meeting of the Company, in relation to the re-election, for the statutory period of four years, of Mr. Javier Illán Plaza as executive director and Mr. José María Castellano Ríos as proprietary director of the Company.

The re-elections that the board of directors proposes are a consequence of the expiration of the term for which Mr. Javier Illán Plaza and Mr. José María Castellano Ríos were appointed as directors of the Company.

Article 14.5.v) of the Regulation of the Board of Directors determines the proposal for appointment or re-election of any non-independent member of the board of directors must be made following the favorable report of the appointments and remuneration committee. Consequently, this report is prepared in order to comply with the provisions of the aforementioned article.

#### **2. ASPECTS TAKEN INTO ACCOUNT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE**

##### **2.1 Mr. Javier Illán Plaza**

###### *2.1.1 Professional and biographical profile*

The competence, experience and merits of Mr. Javier Illán Plaza can be inferred from his curriculum vitae, which indicates his suitability for the position of executive director.

Mr. Javier Illán Plaza began his professional career in 1994 in a family business dedicated to construction and property development. During this period, he was actively involved in the development and construction of 600 homes in La Coruña and the Hotel Vilagaros in Baqueira Beret, Spain's most luxurious ski resort.

In 1997, Mr. Illán set up his first company, focusing on property investment projects that included repositioning work. Following this success, in 2000, he founded the Millenium Group as a closed real estate investment vehicle (club deal), which included commercial assets, offices and hotels, located in prime areas of Madrid, whose value strategy was based on repositioning for subsequent rental or sale.



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In 2010, alongside the club deal, a residential development division was launched, positioning the Millenium Group as a national reference in luxury residential development, with emblematic buildings such as Plaza de la Independencia 5 (Edificio Millenium), Hermanos Bécquer 4, Alfonso XII no. 24 or Alfonso XII no. 38.

In 2017, he founded Millenium Hospitality Real Estate SOCIMI, S.A., a company whose shares are admitted to trading in the BME Growth segment of BME MTF Equity, one of the 15 SOCIMIs with the highest capitalisation in the Spanish market and a benchmark in the luxury hotel market in Europe.

To date, Mr. Illán has been involved in the acquisition, repositioning and sale of assets worth approximately EUR 1,000 million.

Mr. Javier Illán Plaza is CEO of the Company and a member of its real estate executive committee.

#### *2.1.2 Justification*

The appointments and remuneration committee believes that the existence of an executive director is the most appropriate and efficient alternative for the management of the business of the Company and its group, where immediacy in high-level strategic decision-making, as well as leadership capacity, are key factors.

In this context, the appointments and remuneration committee considers that in order for an executive director of the Company to adequately perform supervisory and control duties, as well as the other duties inherent to the position, they must adequately combine: (i) proven competence and experience; (ii) experience in the area in which the Company operates; (iii) the possibility of dedication, knowledge, commitment and absolute involvement in the business of the Company; and (iv) knowledge additional to that inherent to the activity, such as financial knowledge

The appointments and remuneration committee has assessed the professional soundness, competence, experience, qualifications, training, availability and commitment of the candidate for re-election, and his integrity, conduct and professional career, which it considers to be in line with the principles and duties contained in the Code of Ethics and Conduct of the Company, as has been observed during the time that Mr. Illán has held the position of director of the Company. The appointments and remuneration committee has also verified, to the extent possible, that none of the incompatibilities, disqualifications, prohibitions and causes of conflict of interest established by law or in the corporate governance system are present.

With regard to the work performed by Mr. Javier Illán Plaza in the Company, the appointments and remuneration committee considers that he has performed his duties with the loyalty of a faithful representative, acting in good faith, in the best interests of the Company and under the principle of personal responsibility, with freedom of judgement and independence with respect to instructions and



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relations with third parties, and that he has dedicated the time necessary to effectively perform his duties.

The background and curriculum vitae of Mr. Javier Illán, as well as the role he has played in the Company since his appointment, demonstrate that he has the appropriate skills, experience and merits to be re-elected executive director of the Company. His extensive experience in the Company and his profound knowledge guarantee a correct continuity in the successful management of the Company's interests.

In view of the above, the appointments and remuneration committee considers that Mr. Illán has appropriate competence, experience and merits to perform his duties as director of the Company under the terms established by law and the regulations and, consequently, reports favorably to the board of directors on the re-election of Mr. Javier Illán Plaza as executive director of the Company for the statutory period of four years.

### *2.1.3 Category*

Mr. Javier Illán Plaza has carried out and will continue to carry out management functions in the Company, as a result being named as an executive director of the Company. Consequently, pursuant to the provisions of applicable regulations, Mr. Javier Illán Plaza will be considered an executive director.

## **2.2 Mr. José María Castellano Ríos**

### *2.2.1 Professional and biographical profile*

The competence, experience and merits of Mr. José María Castellano Ríos can be inferred from his curriculum vitae, which indicates his suitability for the position of proprietary director.

Mr. José María Castellano Ríos holds a PhD in Economics and Business Studies from Universidad Complutense de Madrid, is Professor of Financial Economics and Accounting at Universidad de A Coruña and is a member of the Academy of Economics and Financial Sciences.

From 1985 to 2005, he was a member of the board of Industria de Diseño Textil, S.A. (Inditex) and, since 1997, vice-chair and CEO of the same company. He is considered, together with Mr. Amancio Ortega, to be the architect of the Inditex group's international expansion and consolidation, and its successful IPO in 2001. Mr. Castellano was chair of the ONO telecommunications company from 2008 until its sale to the Vodafone group in 2014. He is currently an independent director of Naturhouse Health, S.A., a company whose shares are admitted to trading on the Spanish Stock Exchanges.

Mr. José María Castellano Ríos is chairman of the audit and risk management committee and member of the appointments and remuneration committee.



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### *2.2.2 Justification*

The appointments and remuneration committee has assessed the professional soundness, competence, experience, qualifications, training, availability and commitment of the candidate for re-election, and his integrity, conduct and professional career, which it considers to be in line with the principles and duties contained in the Code of Ethics and Conduct of the Company, as has been observed during the time that Mr. Castellano has held the position of Company director. The appointments and remuneration committee has also verified, to the extent possible, that none of the incompatibilities, disqualifications, prohibitions and causes of conflict of interest established by law or in the corporate governance system are present.

As regards the work performed by Mr. José María Castellano Ríos in the Company, the appointments and remuneration committee considers that he has performed his duties with the loyalty of a trustworthy representative, acting in good faith, in the best interests of the Company and under the principle of personal responsibility, with freedom of opinion and independence from instructions and relations with third parties, and that he has dedicated the necessary time to effectively perform his duties.

In view of the above, the appointments and remuneration committee considers that Mr. Castellano has the appropriate competence, experience and merits to perform his duties as a director under the terms established by law and the regulations and, consequently, reports favourably to the board of directors on the re-election of Mr. Castellano as a proprietary director for the statutory period of four years.

### *2.2.3 Category*

Mr. José María Castellano Ríos represents the stake held by Alazady España, S.L. on the board of directors. Therefore, in accordance with applicable legislation, Mr. Castellano will be considered a proprietary director.

## **3. CONCLUSION**

In view of the foregoing, the appointments and remuneration committee reports favorably on the re-election, for the statutory period of four years, of Mr. Javier Illán Plaza as executive director and Mr. José María Castellano Ríos as proprietary director of the Company.

Madrid, 26 April 2023



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## **ANNEX II**

### **PROPOSAL MADE BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF MILLENIUM HOSPITALITY REAL ESTATE, SOCIMI, S.A. ON THE RE-ELECTION OF MR. JAIME MONTALVO CORREA AND MS. ISABEL DUTILH CARVAJAL AS INDEPENDENT DIRECTORS OF THE COMPANY**

#### **1. INTRODUCTION**

The appointments and remuneration committee of Millenium Hospitality Real Estate, SOCIMI, S.A. (the “**Company**”), in accordance with article 14.5.iii) of the Regulation of the Board of Directors, hereby submits this proposal to the next ordinary and extraordinary general shareholders meeting of the Company, in relation to the re-election, for the statutory period of four years, of Mr. Jaime Montalvo Correa and Ms. Isabel Dutilh Carvajal as independent external directors of the Company.

The proposal is consequence of the expiration of the term for which Mr. Jaime Montalvo Correa and Ms. Isabel Dutilh Carvajal were appointed as directors of the Company.

Article 14.5.iii) of the Regulation of the Board of Directors establishes that the appointments and remuneration committee must propose the appointment or re-election of members of the board of directors, in the case of independent directors. Consequently, the appointments and remuneration committee submits this proposal for the re-election of the aforementioned directors.

#### **2. ASPECTS TAKEN INTO ACCOUNT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE**

##### **2.1. Mr. Jaime Montalvo Correa**

###### *2.1.1. Professional and biographical profile*

The competence, experience and merits of Mr. Jaime Montalvo Correa can be inferred from his curriculum vitae, which indicates his suitability for the position of independent director.

Mr. Jaime Montalvo Correa holds a PhD in Law from Universidad Complutense de Madrid and has been a Professor of Employment and Social Security Law since 1973, successively, at Universidad del País Vasco, Universidad de Granada, Universidad de Oviedo and Universidad Nacional de Educación a Distancia (UNED).

In addition, Mr. Montalvo has been director of Mutua Madrileña Automovilística, S.S.P.F. since 2006 and vice-chairman of the same company since 2010. He is also a trustee of various entities, including Fundación Mutua Madrileña, Real Instituto Elcano and Fundación Comillas.

In addition to activities in the private sector, Mr. Jaime Montalvo Correa has held positions of significant institutional relevance, both in the Public Administration and in University. He has been chair of the



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Economic and Social Council, member of the Council of State, chair of the Spanish Court of Arbitration, elected member of the European Institute of Social Security and Rector of the United Nations University for Peace of the United Nations Organisation, Rector of Universidad Nacional de Educación a Distancia (UNED) and trustee of Universidad Internacional Menéndez Pelayo.

Mr. Jaime Montalvo Correa is chair of the appointments and remuneration committee and member of the audit and risk management committee.

### *2.1.2. Justification of the proposal*

The appointments and remuneration committee has assessed the professional soundness, competence, experience, qualifications, training, availability and commitment of the candidate for re-election, and his integrity, conduct and professional career, which it considers to be in line with the principles and duties contained in the Code of Ethics and Conduct of the Company, as has been observed during the time that Mr. Montalvo has held the position of director of the Company. The appointments and remuneration committee has also verified, to the extent possible, that none of the incompatibilities, disqualifications, prohibitions and causes of conflict of interest established by law or in the corporate governance system are present.

As regards the work performed by Mr. Jaime Montalvo Correa in the Company, the appointments and remuneration committee considers that he has performed his duties with the loyalty of a trustworthy representative, acting in good faith, in the best interests of the Company and under the principle of personal responsibility, with freedom of opinion and independence from instructions and relation to third parties, and that he has dedicated the necessary time to effectively perform his duties.

The background and curriculum of Mr. Montalvo, and the role he has played in the Company since his appointment, demonstrate that he has the appropriate competence, experience and merits to be re-elected as independent director of the Company.

In view of the above, the appointments and remuneration committee considers that Mr. Jaime Montalvo Correa has the appropriate competence, experience and merits to perform his duties as a director under the terms established by law and the regulations and, consequently, submits to the board of directors, so that it may in turn submit to the general shareholders' meeting, the proposal for the re-election of Mr. Jaime Montalvo Correa as an independent external director of the Company for the statutory period of four years.

### *2.1.3. Category*

Mr. Jaime Montalvo Correa will not represent any shareholder on the board of directors nor will he have executive functions. Therefore, in accordance with the applicable legislation, the candidate will have the category of external independent director.

## **2.2. Ms. Isabel Dutilh Carvajal**



*This document is a translation of an original text in Spanish.  
In case of any discrepancy between both texts, the Spanish version will prevail.*

### *2.2.1. Professional and biographical profile*

The competence, experience and merits of Ms. Isabel Dutilh Carvajal can be inferred from her curriculum vitae, which indicates her suitability for the position of independent director.

Ms. Isabel Dutilh Carvajal holds a law degree from Universidad CEU San Pablo, a master's degree in Maritime Business from Universidad Pontificia de Comillas (ICADE) and the Spanish Maritime Institute and a master's degree in Maritime Law from the University of Wales. She has also completed the "Leadership in law firms" programme at Harvard University.

Ms. Dutilh is a founding partner of Argali Abogados, S.L.P., a law firm specialising in mergers and acquisitions. She is also an independent director of Elecnor, S.A. and a member of its audit and appointments, remuneration and sustainability committees. She is also an independent director of Banco de Alcalá, S.A. and chair of its appointments and remuneration committee and is a member of its supervision and audit committee.

Ms. Isabel Dutilh Carvajal is also chair of the working group for Legal Certainty of Círculo de Empresarios, an organisation of which she was vice-chair from March 2015 to March 2021, and is also a trustee of Fundación Hay Derecho.

Ms. Isabel Dutilh Carvajal is a member of the audit and risk management committee and the appointments and remuneration committee.

### *2.2.2. Justification of the proposal*

The appointments and remuneration committee has assessed the professional soundness, competence, experience, qualifications, training, availability and commitment of the candidate for re-election, and her integrity, conduct and professional career, which it considers to be in line with the principles and duties contained in the Code of Ethics and Conduct of the Company, as has been observed during the time that Ms. Dutilh has held the position of director of the Company. The appointments and remuneration committee has also verified, to the extent possible, that none of the incompatibilities, disqualifications, prohibitions and causes of conflict of interest established by law or in the corporate governance system are present.

As regards the work performed by Ms. Dutilh in the Company, the appointments and remuneration committee considers that she has performed her duties with the loyalty of a faithful representative, acting in good faith, in the best interests of the Company and under the principle of personal responsibility, with freedom of judgement and independence with regard to third party instructions and ties, and that she has dedicated the necessary time to effectively perform her duties.

The professional background and curriculum of Ms. Dutilh, and the role she has played in the Company since her appointment, demonstrate that she has the appropriate skills, experience and merits to be re-elected as an independent director of the Company.



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In view of the above, the appointments and remuneration committee considers that Ms. Isabel Dutilh Carvajal has the appropriate competence, experience and merits to perform her duties as a director of the Company under the terms established by law and the regulations and, consequently, submits to the board of directors, so that it may in turn submit to the general shareholders' meeting, the proposal for the re-election of Ms. Isabel Dutilh Carvajal as an independent external director of the Company for the statutory period of four years.

### 2.2.3. *Category*

Ms. Isabel Dutilh Carvajal will not represent any shareholder on the board of directors nor will she have executive functions. Therefore, in accordance with the provisions of the applicable regulations, the candidate will be considered an independent external director.

### **3. CONCLUSION**

The appointments and remuneration committee, in view of the foregoing, submits to the board of directors, so that the latter in turn may submit to the general meeting of shareholders, the proposal for the re-election of Mr. Jaime Montalvo Correa and Ms. Isabel Dutilh Carvajal as independent external directors of the Company for the statutory period of four years.

Madrid, 26 April 2023