



## NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 82 of Law 24/1988 of 28 July on the Securities Market, Lar España Real Estate SOCIMI, S.A. (“Lar España” or the “Company”) hereby informs the National Securities Market Commission of the following

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### MATERIAL FACT

In relation to the communication of a relevant fact by the Company dated 24 march 2017 (register number 249924) whereby reference was made to the full text of the call of the ordinary general shareholders' meeting to be held on 27 or 28 April, in first or second call, respectively, presumably to be held on second call, we hereby communicate the following clarifications regarding items eight and ten in the agenda:

- Regarding item eight (delegation in the Board of Directors, for a term of five years, of the power to increase the share capital pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act), it is clarified that the limitations established for the case that the Board of Directors decided to increase the Company's share capital making use of the delegation –that the Issue price of the new shares is not lower than the unitary share price resulting from the latest Company's EPRA NAV published on the relevant date, in the case that the existing shareholders' pre-emptive rights were excluded, or that the market value of the Company's outstanding shares at closing of the business day immediately prior to the date on which the relevant resolution is passed is not lower than the latest EPRA NAV per share published by the Company, for the case of share capital increases with pre-emptive rights– would be applicable for the five years of the delegation.
- Regarding item ten (delegation to the Board of Directors, for a term of five years, of the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies within or outside its group, or warrants on newly-issued or outstanding shares of the Company or of other companies within or outside its group), it is clarified that the conversion and/or exchange price of the shares to be issued, if applicable, shall not be lower than the unitary share price resulting from the latest Company's EPRA NAV published (a) on the date of the relevant share capital increase Board's resolution if the conversion and/or exchange ratio is fixed or (b) on the date(s) to determine the conversion and/or exchange ratio specified on the Board's resolution, if such ratio is variable.

Accordingly, we are re-sending the attached call with the agenda of the referred ordinary general shareholders' meeting, clarifying the above referred matters.



Madrid, 26 March 2017

Lar España Real Estate SOCIMI, S.A.  
Mr. José Luis del Valle Doblado,  
Chairman of the Board of Directors



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## **LAR ESPAÑA REAL ESTATE SOCIMI, S.A.**

### **2017 ORDINARY GENERAL SHAREHOLDERS' MEETING**

#### **PLACE, DATE AND TIME OF THE MEETING**

The board of directors of Lar España Real Estate SOCIMI, S.A. has resolved to call the ordinary general shareholders' meeting, which will be held in Madrid, Palacio de la Bolsa, Salón de Actos Antonio Maura, placed in Plaza de la Lealtad, 1, on 27 April 2017, at 12:00 on first call, or, if the required quorum is not met, on second call, on 28 April 2017, at the same place and time. Shareholder registration desks will be open as from 10:00.

It is expected that the ordinary general shareholders' meeting will be held on second call, on 28 April 2017, at the indicated place and time, unless shareholders are otherwise informed through announcements published in the same newspaper in which this announcement is published, on the company's website ([www.larespana.com](http://www.larespana.com)), as well as through the corresponding material fact sent to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

#### **AGENDA**

##### **I. Annual accounts and management of the Company:**

- One.-** Approval of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for financial year 2016.
- Two.-** Approval of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2016.
- Three.-** Approval of the board of directors' management and activities during financial year 2016.

##### **II. Dividend distribution:**

- Four.-** Approval of the proposed allocation of profits and the dividend distribution for financial year 2016.

##### **III. Company's auditor:**

- Five.-** Renewal, if appropriate, of the Company's auditor.

##### **IV. Board of directors:**

- Six.-** Renewal of directors.
  - 1. Renewal of Mr. José Luis del Valle Doblado as independent director of the Company
  - 2. Renewal of Mr. Pedro Luis Uriarte Santamarina as independent director of the



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Company

3. Renewal of Mr. Alec Emmott as independent director of the Company
4. Renewal of Mr. Roger Maxwell Cooke MBE as independent director of the Company
5. Renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company

**Seven.-** Waiver of the prohibitions established on article 229 of the Companies Act (*Ley de Sociedades de Capital*), in accordance with article 230 of the aforementioned law, regarding the Director D. Miguel Pereda Espeso.

**Eight.-** Delegation to the board of directors, with the express power to delegate in others, for a term of five years, of the power to increase the Company's share capital pursuant to article 297.1.b) of the Companies Act (*Ley de Sociedades de Capital*) by up to one-half of the share capital on the date of this delegation. Delegation of the power to exclude pre-emptive rights in connection with the capital increases that the board may approve, although this power is limited to an aggregate maximum nominal amount equal to 20% of the share capital on the date of this delegation.

**Nine.-** Authorization to the board of directors, with the express power to delegate in others, for a term of five years, to issue bonds or simple debentures and other fixed-income securities of a like nature, as well as notes and preferred stock, up to a maximum amount of EUR 500 million (including within this limit the amount of debt issued, if any, by virtue of the authorization granted under item ten of this agenda). Authorization for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries.

**Ten.-** Delegation to the board of directors, with the express power to delegate in others, for a term of five years, of the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies within or outside its group, or warrants on newly-issued or outstanding shares of the Company or of other companies within or outside its group, up to a maximum limit of EUR 500 million (including within this limit the amount of debt issued, if any, by virtue of the authorization granted under item nine of this agenda). Establishment of the standards for determining the basis for and terms and conditions applicable to the conversion, exchange or exercise. Delegation to the board of directors, with the express power to delegate in others, of the powers required to establish the basis for and terms and conditions applicable to the conversion, exchange or exercise, as well as, in the case of convertible debentures and bonds and warrants on newly-issued shares, the power to increase share capital to the extent required to accommodate requests for the conversion of debentures or for the exercise of warrants, with the power in the case of issues of convertible and/or exchangeable securities to exclude the pre-emptive rights of the Company's shareholders, although this power shall be limited to an aggregate



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maximum nominal amount equal to 20% of the share capital of the Company on the date of this authorization.

**Eleven.-** Authorization to the board of directors for the derivative acquisition of treasury shares according to and within the restrictions and requirements established in the Companies Act, with express powers to reduce the share capital on one or more occasions in order to redeem the acquired treasury shares. Delegation to the board of powers to execute this resolution.

#### **IV. Remuneration of the Investment Manager:**

**Twelve.-** Share capital increase in the nominal amount of € 4,167,070 through the issuance of shares to be subscribed by the Investment Manager as performance fee pursuant to the provisions of the Investment Manager Agreement, excluding pre-emption rights and authorising the Board of Directors to implement the resolution.

#### **V. General matters:**

**Thirteen.-** Delegation of powers to formalize and implement all resolutions adopted by the ordinary general shareholders' meeting, to convert them into public instruments, and to interpret, correct, supplement, elaborate upon and register such resolutions.

#### **VI. Consultative votes:**

**Fourteen.-** Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2016.

#### **PARTICIPATION: ATTENDANCE, PROXY REPRESENTATION AND ABSENTEE VOTING**

All holders of voting shares who have caused such shares to be registered in their name in the corresponding book-entry register not later than 20 or 21 April 2017, depending on whether it is held on first or second call, respectively, may attend and participate in the ordinary general shareholders' meeting, with the rights to be heard and to vote.

All shareholders having the right to attend may be represented at the ordinary general shareholders' meeting by another person, even though not a shareholder.

Shareholders having the right to attend may grant a proxy or cast an absentee vote on the proposals relating to items included in the agenda of the call to meeting, which they may do in writing by presenting a duly completed attendance, proxy, and absentee voting card at the offices of the Company, by sending the card to the Company via postal correspondence (to the address C/ Rosario Pino 14-16, 8th floor, CP 28020 Madrid, Spain), or by electronic means through the Company's corporate website ([www.larespana.com](http://www.larespana.com)).

Proxies and absentee votes cast by postal or electronic correspondence must, as a general rule, be received by the Company before 24:00 on 26 April 2017.

#### **AVAILABLE INFORMATION AND DOCUMENTATION**



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Until the fifth day prior to the Shareholders' Meeting, inclusive, shareholders may request in writing the information or clarifications that they deem are required, or ask the written questions they deem relevant, regarding the matters included in the agenda of the call to meeting, the information accessible to the public that has been provided by the Company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and the audit reports on the individual annual accounts and management report of the Company and on the annual accounts and management report of the Company consolidated with those of its subsidiaries for financial year 2016.

As from the date of publication of this announcement of the call to meeting, the following documents and information are made continuously available to the shareholders on the Company's corporate website ([www.larespana.com](http://www.larespana.com)): (1) this announcement of the call to meeting; (2) the form of attendance, proxy, and absentee voting card; (3) the full text of the proposed resolutions corresponding to the items included in the agenda of the call to meeting, together with the respective reports of the board of directors of independent expert required by Law; (4) in relation to each director whose renewal is proposed to the General Meeting, their background and professional experience; directorships held in other relevant companies, either listed or not; the directors' class to which they belong; dates of their first appointment as a Company director and subsequent renewals; and shares and share options held in the Company; (5) the individual annual accounts of the Company and the annual accounts of the Company consolidated with those of its subsidiaries for financial year 2016 and the respective audit reports; (6) the Company's individual management report and the management report of the Company consolidated with that of its subsidiaries for financial year 2016; (7) the directors' statement of responsibility provided for in article 118 of the Royal Legislative Decree 4/2015, approving the consolidated text of the Securities Market Act (*Ley del Mercado de Valores*), which, together with the documents set forth in the two preceding items, constitute the annual financial report for financial year 2016; (8) the annual corporate governance report for financial year 2016; (9) the annual director remuneration report for financial year 2016; (10) the report prepared by the Audit and Control Committee of the Company on its functions during the financial year 2016; (11) the annual report prepared by the Remuneration and Nomination Committee regarding financial year 2016; (12) the report prepared by the Audit and Control Committee regarding the independence of the external auditor; (13) the report prepared by the Audit and Control Committee regarding related transactions; (14) the procedures and requirements for accrediting ownership of the Company's shares and the Shareholders' Meeting attendance right, as well as the applicable rules regarding proxy representation; (15) the shareholder's information right; (16) the rules of the Electronic Shareholders' Forum; and (17) information regarding the total number of shares and voting rights on the date of publication of this announcement of call to meeting.

Furthermore, the shareholders have the right to examine at the Company's registered office and to request the immediate delivery or shipping without charge (which may be carried out by e-mail, with confirmation of receipt, if the shareholder accepts this form of delivery) of a copy of the individual annual accounts and management reports of the Company and those consolidated with its subsidiaries, together with the respective audit reports, for financial year 2016, of the proposed resolutions, including the proposed amendments to the By-Laws, of the mandatory director reports, as well as the other documents



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that must be made available to the shareholders in connection with the holding of this ordinary general shareholders' meeting.

### **SUPPLEMENT TO THE CALL TO MEETING AND WELL-FOUNDED PROPOSED RESOLUTIONS**

Until 29 March 2017, inclusive, shareholders representing at least 3% of the share capital may request the publication of a supplement to the call to the ordinary general shareholders' meeting including one or more items in the agenda, provided such new items are accompanied by the rationale therefor or, if appropriate, by a duly substantiated proposal for a resolution, and submit well-founded proposed resolutions on matters already included or that must be included in the agenda of the call to meeting. Such rights must be exercised by duly authenticated notice that must be received at the registered office of the Company.

### **COMMON PROVISIONS APPLICABLE TO THE RIGHTS OF THE SHAREHOLDERS**

The rights to receive information, to attend, to proxy representation, to absentee voting, to request the publication of a supplement to the call to meeting, and to submit well-founded proposals for resolutions shall be exercised as provided by Law and the documents making up the Company's corporate governance system, available on the Company's corporate website ([www.larespana.com](http://www.larespana.com)).

### **OTHER SIGNIFICANT ASPECTS**

The board of directors has resolved to request the presence of a Notary Public to record the minutes of the ordinary general shareholders' meeting pursuant to section 203 of the Companies Act (*Ley de Sociedades de Capital*), read together with article 101 of the Regulations of the Commercial Registry (*Reglamento del Registro Mercantil*).

To facilitate the viewing and appropriate dissemination thereof, all or part of the proceedings of the General Shareholders' Meeting may be subject to audiovisual recording and broadcast and will be available to the public through the Company's corporate website ([www.larespana.com](http://www.larespana.com)).

### **PERSONAL DATA PROTECTION**

The personal data that shareholders provide to the Company (upon the exercise or delegation of their rights to receive information, to attend, to proxy representation, and to vote) or that are provided by the financial institutions and by the investment services companies that are depositaries or custodians of the shares held by such shareholders, as well as by the entities in charge of the book-entry registers pursuant to Law, will be processed by the Company in order to manage the shareholding relationship. To such end, the data will be kept in computer files for which the Company is responsible. Such data will be provided to the Notary Public solely in connection with the drawing-up of the notarial minutes of the General Shareholders' Meeting, whose development may be subject to audiovisual recording and broadcast in Company's corporate website ([www.larespana.com](http://www.larespana.com)). By attending to the General Meeting the shareholder gives consent to this audiovisual recording and broadcast.

The owner of the data will be entitled to exercise the rights of access, rectification, objection, or erasure of the data collected by the Company. Such rights may be exercised in accordance with the provisions of Law



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by means of a letter addressed to Lar España Real Estate SOCIMI, S.A. (to the address C/ Rosario Pino 14-16, 8th floor, CP 28020 Madrid, Spain).

If the shareholder includes personal data of other individuals on the attendance, proxy, and absentee voting card, such shareholder must advise them of the details set forth in the preceding paragraphs and comply with any other requirements that may apply for the provision of the personal data to the Company, without the Company having to take any additional action.

In Madrid, on 24 March 2017

The Secretary of the Board of Directors





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## **ORDINARY GENERAL SHAREHOLDERS MEETING PROPOSED RESOLUTIONS FOR LAR ESPAÑA REAL ESTATE SOCIMI, S.A. 2017**

### **ITEM ONE ON THE AGENDA**

#### **Approval of the individual annual accounts of the Company and of the annual accounts of the Company consolidated with those of its subsidiaries for financial year 2016.**

#### **RESOLUTION**

To approve the individual annual accounts of Lar España Real Estate SOCIMI, S.A. (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows, and notes) and the annual accounts of the Company consolidated with those of its subsidiaries (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows, and notes) for the financial year ended on 31 December 2016, which were finalised by the Board of Directors at its meeting held on 24 February 2017.



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## **ITEM TWO ON THE AGENDA**

### **Approval of the individual management report of the Company and of the management report of the Company consolidated with that of its subsidiaries for financial year 2016.**

#### **RESOLUTION**

To approve the individual management report of Lar España Real Estate SOCIMI, S.A. and the management report of Lar España Real Estate SOCIMI, S.A. consolidated with that of its subsidiaries for the financial year ended on 31 December 2016, which were finalised by the Board of Directors at its meeting held on 24 February 2017.



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### **ITEM THREE ON THE AGENDA**

### **Approval of the management and activities of the Board of Directors during financial year 2016.**

### **RESOLUTION**

To approve the management of the Company and the activities of the Board of Directors of Lar España Real Estate SOCIMI, S.A. during the financial year ended on 31 December 2016.



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## ITEM FOUR ON THE AGENDA

### Approval of the proposed allocation of profits/losses and distribution of dividends for financial year 2016.

#### RESOLUTION

To approve the proposed allocation of profits/losses and distribution of dividends prepared by the Board of Directors at its meeting held on 24 February 2017, which is described below:

To distribute, with a charge to the results for the financial year ended on 31 December 2016, a gross dividend of 0.038 for each share of Lar España Real Estate SOCIMI, S.A.

Any parties listed as legitimate holders in the accounting records of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal* (IBERCLEAR) at 11:59 pm on the date on which the General Shareholders' Meeting or, where appropriate, the Board of Directors meeting, has decided upon the distribution shall be entitled to receive the dividend.

The dividend shall be enforceable and payable 30 days after the date of the decision adopted by the General Meeting.

This dividend shall be distributed through the entities members of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (IBERCLEAR), the Board of Directors being hereby authorised for such purpose, with express power of substitution, to designate the entity that is to act as paying agent, and to take such other steps as may be required or appropriate for the successful completion of the distribution.

The basis for distribution and the resulting distribution (stated in thousand euros) are as follows:

#### **BASIS FOR DISTRIBUTION:**

Profits for financial year 2016:	3,800
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#### **DISTRIBUTION:**

To legal reserve (minimum amount):	380
To voluntary reserve	4
To dividends (maximum amount to distribute corresponding to a fixed dividend of 0,033 euro (gross) per share):	3,416

<b>TOTAL:</b>	<b>3,800</b>
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Additionally, the General Shareholders' Meeting approves the distribution of share premium for a total amount of 26,584 thousand euros (0.294 euro (gross) per share). The distribution shall be enforceable and payable 30 days after the date of the decision adopted by the General Meeting and will be distributed through the entities members of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (IBERCLEAR), the Board of Directors being hereby authorised for such purpose, with express power of substitution, to designate the entity that is to act as paying agent, and to take such other steps as may be required or appropriate for the successful completion of the distribution.



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## **ITEM FIVE ON THE AGENDA**

### **Renewal, if appropriate, of the Company's auditor**

#### **RESOLUTION**

Renew the appointment of Deloitte, S.L. as auditor of the Company's individual and annual accounts, for the years 2017 and 2018. Deloitte, S.L. has its registered office at Plaza Pablo Ruiz Picasso 1, Torre Picasso, 28020 Madrid, Spain, holds Spanish tax identification number B-79104469 and is registered with the Commercial Registry of Madrid at volume 13.650, section 8<sup>a</sup>, sheet 188, page M-54,414, record 96<sup>a</sup>, and at the Official Registry of Accounts' Auditors (*Registro Oficial de Auditores de Cuentas*) with the number S0692.

This resolution is adopted following the proposal of the Board of Directors, which in turn was approved following the proposal made by the Audit and Control Committee.



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## **ITEM SIX ON THE AGENDA**

### **Renewal of directors**

#### **RESOLUTION**

##### **6.1 Renewal of Mr. José Luis del Valle Doblado as independent director of the Company**

Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. José Luis del Valle Doblado, as independent director for the statutory term of three years.

##### **6.2 Renewal of Mr. Pedro Luis Uriarte Santamarina as independent director of the Company**

Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Pedro Luis Uriarte Santamarina, as independent director for the statutory term of three years.

##### **6.3 Renewal of Mr. Alec Emmott as independent director of the Company**

Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Alec Emmott, as independent director for the statutory term of three years.

##### **6.4 Renewal of Mr. Roger Maxwell Cooke MBE as independent director of the Company**

Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Roger Maxwell Cooke MBE, as independent director for the statutory term of three years.

##### **6.5 Renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company**

Following the proposal of the Company's Board of Directors and based on the favorable report issued by the Appointments and Remuneration Committee, it is resolved to renew the appointment of Mr. Miguel Pereda Espeso, as proprietary director for the statutory term of three years.



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## **ITEM SEVEN ON THE AGENDA**

### **Waiver of the prohibitions established on article 229 of the Spanish Companies Act (*Ley de Sociedades de Capital*), in accordance with article 230 of the aforementioned law, regarding the Director D. Miguel Pereda Espeso.**

#### **RESOLUTION**

Following the authorisation granted by the ordinary General Shareholders' Meeting held on 21 April 2016, to renew the express authorisation of the Director D. Miguel Pereda Espeso, by virtue of article 230 of the Spanish Companies Act, to perform his duties as member of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and other companies of its group, even though its activities might be similar or complementary to those that constitute the corporate object of the Company, given that the aforementioned activities do not entail a damage to Lar España, and any situation of conflict of interest that may rise in the performance of his duties as member of the Board of Directors are subject to legal provision established in the applicable law and the provisions of the Investment Management Contract entered into by the Company and Grupo Lar on 12 February 2014.

Likewise, the Director D. Miguel Pereda Espeso is expressly authorized, by virtue of the aforementioned article 230 of the Spanish Companies Act, to receive remuneration by Grupo Lar Inversiones Inmobiliarias, S.A. or other companies of its group, for the performance of his duties, including the representation of Grupo Lar in the Board of Directors of Lar España.



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## **ITEM EIGHT ON THE AGENDA**

**Delegation in the Board of Directors, with the express power of substitution, for a term of five years, the power to increase the share capital pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act, by up to one-half of the share capital on the date of the delegation. Delegation of the power to exclude pre-emptive rights in connection with the capital increases that the Board may approve under this authorisation, provided, however, that this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital on the date of this authorisation.**

### **RESOLUTION**

To authorise the Board of Directors, as broadly as may be required by Law, so that, as permitted by Article 297.1.b) of the Spanish Companies Act, it may increase the share capital on one or more occasions and at any time within a term of five years from the date of approval of this resolution, by up to one-half of the current share capital.

Said share capital increase or increases may be carried out with or without a premium, either by increasing the par value of the outstanding shares with the requirements set forth in the Law, or by issuing new ordinary or privileged shares (with or without voting rights), or redeemable shares, or any other type of shares valid under the applicable Laws, or different types of shares at one time, the consideration for which shall be cash contributions.

The Board of Directors shall decide, in connection with each increase, whether the new shares to be issued are common, preferred, redeemable, non-voting or any other kinds of shares among those permitted by Law. In addition, the Board of Directors may establish, as to all matters not otherwise contemplated, the terms and conditions of the share capital increase and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made and amend the article of the By-Laws relating to share capital and number of shares.

Furthermore, in connection with the share capital increases that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by Article 506 of the Spanish Companies Act, provided, however, that such power shall be limited to share capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the current share capital of the Company.

In any event, if the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, they will draft a detailed report explaining the purpose of such exclusion based on the Company's interest, along with the relevant Board's resolution and the corresponding from an account auditor other than the Company's auditor according to Article 506 of the Spanish Companies Act. Said reports will immediately be delivered in the Company's website and made available to all shareholders and communicated at the first General Shareholders Meeting after the issuance resolution.

If the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, the issue price of the relevant share capital Increase may not be lower than the unitary share price resulting from the latest Company's EPRA NAV published on the date of the relevant share capital increase resolution.





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As for capital increases with pre-emption rights, the Board of Directors may only increase the Company's share capital by virtue of this delegation when the market value of the Company's outstanding shares at closing of the business day immediately prior to the date on which the relevant resolution is passed is not lower than the latest EPRA NAV per share published by the Company.

By virtue of this authorisation, the Board of Directors is also empowered to make application for listing of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organized or other secondary markets, and to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the securities markets.

The Board of Directors is also authorised to delegate in favour of any director or directors it deems appropriate the powers delegated thereto under this resolution.

Likewise, the Board of Directors is authorised, as broadly as may be required by Law, with substitution powers in any of the Company's directors, such that any of them, may carry out such acts as may be necessary and execute such public or private documents or agreements as may be necessary or convenient for the full effectiveness of the above resolution in any aspect and, in particular, to elaborate on, clarify, make more specific, interpret, complete, and correct it; also, to correct the defects, errors or omissions which may be observed in the oral or written assessment of the Commercial Registrar, as broadly as possible.

The present delegation of powers to the Board of Directors replaces the one granted by the ordinary Shareholders' Meeting of the Company on 21 April 2016, which will therefore be rendered void.



## **ITEM NINE ON THE AGENDA**

**Authorization to the board of directors, with the express power to delegate in others, for a term of five years, to issue bonds or simple debentures and other fixed-income securities of a like nature, as well as notes and preferred stock, up to a maximum amount of EUR 500 million (including within this limit the amount of debt issued, if any, by virtue of the authorization granted under item ten of this agenda). Authorization for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries.**

### **RESOLUTION**

As permitted by Article 319 of the Regulations of the Commercial Registry, the general provisions governing the issuance of debentures as well as pursuant to the By-Laws, and with the purposes of providing the Company's directors with a flexible and efficient mechanism to access capital markets and raise funds to take advantage of investment opportunities, it is resolved to delegate to the Board of Directors the power to issue negotiable securities under the following terms:

1. **Securities to be issued.**- The negotiable securities contemplated in this delegation may be bonds or simple debentures (senior or subordinated of any range), notes and other fixed-income securities of a like nature, as well as preferred stock.
2. **Period of the delegation.**- The issuance of the securities covered by this delegation may be effected on one or more occasions within a maximum period of five years following the date of adoption of this resolution.
3. **Maximum amount under this delegation.** The aggregate maximum amount of the issuance or issuances of securities approved under this delegation shall be EUR 500 million, or the equivalent thereof in another currency. This sum shall be considered including the amount corresponding to issues made, if any, under the delegation approved pursuant to item ten on the Agenda.

The maximum amount under this delegation is agreed in attention to the current leverage level of the Company, as well as to its possible evolution and the evolution of the Company's capitalisation during the term of this authorisation. In any event, the Board of Directors has not modified the leverage target established under the corporate documentation of Lar España (up to around 50% of loan to value or LTV ratio).

4. **Scope of the delegation.**- The delegation of powers to issue the securities contemplated in this resolution shall extend, as broadly as is required by Law, to the establishment of the different terms and conditions applicable to each issuance (par value, issue price, reimbursement price, domestic or foreign currency of the issuance, form of representation, interest rate, amortization, subordination clauses, guarantees supporting the issuance, place of issuance, law applicable thereto, if appropriate, establishment of the internal regulations of the bondholders' syndicate and appointment of the bondholders' syndicate representative (*comisario*) in the case of the issuance of simple bonds and debentures, if required, admission to listing, etc.) and to the conduct of any and all formalities that may be necessary, including those provided for in the applicable securities market regulations, for the execution of the specific issuances that may be resolved to be effected under this delegation.

5. **Listing.**- The Company shall, where appropriate, make application for listing on Spanish or foreign, official or unofficial, organized or other secondary markets of the securities issued by the Company pursuant to this delegation, and the Board of Directors is authorised, as broadly as is required



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by Law, to carry out all formalities and acts required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting of the securities, it shall be made by complying with the same formalities as the application for listing, to the extent applicable, and, in such case, the interests of the shareholders or bondholders opposing or not voting on the resolution shall be safeguarded in compliance with the requirements established by applicable law. It is also expressly stated that the Company undertakes to abide by all current or future Stock Market laws or regulations and, particularly, by those governing trading, continued listing and delisting of securities.

6. Guarantee in support of issuances by subsidiaries.- As permitted by the By-Laws, the Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of securities by subsidiaries during the effective period of this resolution.

7. Power of substitution.- The Board of Directors is hereby expressly authorised to delegate the powers contemplated in this resolution in favour of any director, the Secretary or the Deputy Secretary to the Board.

8. The present delegation of powers to the Board of Directors replaces the one granted by the General Shareholders' Meeting of the Company on 21 April 2016, which will therefore be rendered void.



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## **ITEM TEN ON THE AGENDA**

**Delegation to the board of directors, with the express power to delegate in others, for a term of five years, of the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies within or outside its group, or warrants on newly-issued or outstanding shares of the Company or of other companies within or outside its group, up to a maximum limit of EUR 500 million (including within this limit the amount of debt issued, if any, by virtue of the authorization granted under item nine of this agenda). Establishment of the standards for determining the basis for and terms and conditions applicable to the conversion, exchange or exercise. Delegation to the board of directors, with the express power to delegate in others, of the powers required to establish the basis for and terms and conditions applicable to the conversion, exchange or exercise, as well as, in the case of convertible debentures and bonds and warrants on newly-issued shares, the power to increase share capital to the extent required to accommodate requests for the conversion of debentures or for the exercise of warrants, with the power in the case of issues of convertible and/or exchangeable securities to exclude the pre-emptive rights of the Company's shareholders, although this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital of the Company on the date of this authorization.**

## **RESOLUTION**

Pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 286, 297 and 511 of the Spanish Companies Act (*Ley de Sociedades de Capital*), Article 319 of the Regulations of the Commercial Registry, and Articles 12, 16, 17 and 18 of the By-Laws, and with the purposes of providing the Company's directors with a flexible and efficient mechanism to access capital markets and raise funds to take advantage of investment opportunities, it is resolved to authorise the Board of Directors to issue negotiable securities under the following terms:

1. **Securities to be issued.**- The negotiable securities contemplated in this delegation may be debentures and bonds that are exchangeable for shares of the Company or of any other company within or outside of its group and/or convertible into shares of the Company, or warrants (options to subscribe for new shares of the Company or to acquire existing shares of the Company or of any other company within or outside of its group).
2. **Period of the delegation.**- The issuance of the securities covered by this delegation may be effected on one or more occasions within a maximum period of five years following the date of adoption of this resolution.
3. **Maximum amount under this delegation.**- The aggregate maximum amount of the issuance or issuances of securities approved under this delegation shall be EUR 500 million or the equivalent thereof in another currency. This sum shall be considered including the amount corresponding to issues made, if any, under the delegation approved pursuant to item nine on the Agenda. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants under the issuances resolved to be made in exercise of the powers delegated hereby shall be taken into account.



The maximum amount under this delegation is agreed in attention to the current leverage level of the Company, as well as to its possible evolution and the evolution of the Company's capitalisation during the term of this authorisation. In any event, the Board of Directors has not modified the leverage target established under the corporate documentation of Lar España (up to around 50% of loan to value or LTV ratio).

4. Scope of the delegation.- In exercise of the delegation of powers approved hereby, the Board of Directors shall be authorised to do the following, by way of example and not of limitation, with respect to each issuance: determine the amount thereof, always within the aforementioned overall quantitative limit, the place of issuance (in Spain or abroad), and the domestic or foreign currency, and in the case of a foreign currency, its equivalence in euros; the name or form of the securities, whether they be bonds or debentures, including subordinated debentures, warrants (which may in turn be paid by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other name or form permitted by Law; the date or dates of issuance; the number of securities and the par value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable), and the dates and procedures for payment of the coupon; whether the issuance is perpetual or subject to repayment and, in the latter case, the repayment period and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; antidilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the listing of the securities to be issued on Spanish or foreign, official or unofficial, organized or other secondary markets, subject to the requirements established by applicable regulations in each case; and, in general, any other terms of the issuance as well as, if applicable, the appointment of the security-holders' syndicate representative (*comisario*) and the approval of the basic rules that are to govern the legal relationships between the Company and the syndicate of holders of the securities to be issued, in the event that such syndicate must or is decided to be created.

In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of the security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued, as well as the respective period thereof and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.

5. Basis for and terms and conditions applicable to the conversion and/or exchange.- In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis for and terms and conditions applicable to the conversion and/or exchange, it is resolved to establish the following standards:

- a) The securities issued pursuant to this resolution shall be convertible into shares of the Company or of any other company, within or outside of its group and/or exchangeable into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to decide whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals and during the period



- established in the resolution providing for the issuance, which may not exceed thirty years from the date of issuance.
- b) In the event that the issuance is convertible and exchangeable, the Board may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.
- c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof, and the shares at the fixed exchange ratio (determined or able to be determined) established in the resolution of the Board of Directors whereby this delegation of powers is exercised, or at a variable ratio to be determined on the date or dates specified in such resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed exchange ratio so determined may not be less than the average exchange ratio for the shares on the Continuous Market of the Spanish Stock Exchanges on which the Company's shares are admitted to listing, in accordance with closing listing prices during a period to be set by the Board of Directors and which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above. In addition, the conversion and/or exchange price of the shares shall not be lower than the unitary share price resulting from the latest Company's EPRA NAV published (a) on the date of the relevant share capital increase Board's resolution if the conversion and/or exchange ratio is fixed or (b) on the date(s) to determine the conversion and/or exchange ratio specified on the Board's resolution, if such ratio is variable.
- d) It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the Company's shares on the Continuous Market during a period to be set by the Board of Directors, which shall not be greater than three months nor less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance (or for each tranche of an issuance, if any), provided, however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above.
- e) Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of the issuance, any difference that may arise in such case.





- f) In no event may the value of the share for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. In addition, pursuant to the provisions of Article 415 of the Spanish Companies Act, debentures may not be converted into shares when the nominal value of the former is less than the par value of the latter.

When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion that are specifically applicable to the respective issuance. Such report shall be accompanied by the corresponding auditor's report mentioned in Article 414 of the Spanish Companies Act.

6. Basis for and terms and conditions for the exercise of warrants and other similar securities.- In the event of issuances of warrants, it is resolved to establish the following standards:

- a) In the case of issuances of warrants, to which the provisions of the Spanish Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or of rights to acquire shares of the Company or of another company within or outside of the Group, or to a combination thereof, arising from the securities of this kind issued under the delegation granted hereby. The standards set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.
- b) The preceding standards shall apply, with any changes that may be required and to the extent applicable, to the issuance of fixed-income securities (or warrants) that are exchangeable for shares of other companies. Where appropriate, all references to the Spanish Stock Exchanges shall be deemed made to the markets, if any, on which the respective shares are listed.

7. This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:

- a) The power of the Board of Directors, as permitted by Article 511 of the Spanish Companies Act, in connection with Article 417 of said Law, to totally or partially exclude the pre-emptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures, warrants and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of an auditor, other than the Company's auditor and appointed by the Commercial Registry, mentioned in Articles 414 and 511 of the Spanish Companies Act. Both such reports shall be published in the corporate website of the Company and made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance.



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This power shall in any event be limited to capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the share capital as of the date of adoption of this resolution.

- b) The power to increase share capital to the extent required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board of Directors, adding the capital increase effected to accommodate the issuance of convertible debentures, warrants and other similar securities and the other capital increases approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital provided by Article 297.1(b) of the Spanish Companies Act. This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the By-Laws relating to the amount of the share capital and, if appropriate, to cancel the portion of such capital increase that was not required for the conversion of shares and/or the exercise of the right to subscribe for shares.
- c) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the standards set out in sections 5 and 6 above.
- d) The delegation to the Board of Directors includes the broadest powers that may be required by Law in order to interpret, apply, implement and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding capital increase, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end, the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officers or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding capital increase to the oral or written assessment of the Commercial Registrar or, in general, of any other Spanish or foreign competent authorities, officers or entities.

8. Listing of securities.- Whenever appropriate, the Company shall make application for listing on Spanish or foreign, official or unofficial, organized or other secondary markets of the convertible and/or exchangeable debentures and/or bonds or of the warrants issued by the Company exercising the powers delegated hereby, and the Board of Directors is authorised, as fully as is required by Law, to conduct all acts and formalities that may be necessary for admission to listing before the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, and, in such case, the interests of the shareholders or debentureholders opposing or not voting on the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing and delisting.





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9. Guarantee in support of issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries.- As permitted in the By-Laws, the Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries during the effective period of this resolution.

10. Power of substitution.- The Board of Directors is hereby expressly authorised to delegate the powers contemplated in this resolution in favour of any director, the Secretary or the Deputy Secretary to the Board.

11. The present delegation of powers to the Board of Directors replaces the one granted by the General Shareholders' Meeting of the Company on 21 April 2016, which will therefore be rendered void.



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## **ITEM ELEVEN OF THE AGENDA**

### **Authorisation to the Board of Directors for derivative acquisition of own shares in accordance with the limits and requirements established in the Spanish Companies Act, expressly authorising it, if applicable, to reduce share capital on one or more occasions in order to redeem the acquired shares. Delegation of authority to the Board of Directors to implement this resolution**

#### **RESOLUTION**

To authorise the Board of Directors, in the broadest terms possible, to engage in the derivative acquisition of own shares of Lar España Real Estate SOCIMI, S.A., directly or through companies in its group, subject to the following limits and requirements:

- a) **Forms of acquisition:** acquisition by way of purchase, by way of any other *inter vivos* act for consideration or any other transaction permitted by law, including acquisitions financed by profits for the fiscal year and/or unrestricted reserves. The acquisitions may be made directly by the Company or indirectly through companies in its group.
- b) **Maximum number of shares to be acquired:** the acquisitions may be made, from time to time, on one or more occasions, up to the maximum permitted by law.
- c) **Price:** the price or consideration will vary from (i) a minimum price equivalent to the lesser of the par value and the listing price on the Continuous Market at the time of acquisition, and (ii) a maximum price equivalent to the listing price on the Continuous Market at the time of acquisition increased by 20%.
- d) **Duration of the authorisation:** five years from the date of this resolution.

These transactions must also be conducted in compliance with the rules in this regard contained in the Lar España Real Estate SOCIMI, S.A. Internal Code of Conduct.

Also, for the purposes of the second paragraph of letter a) of article 146.1 of the Spanish Companies Act, it is expressly noted that express authorisation is given for the acquisition of shares of the Company by any of its subsidiaries, on the same terms as set forth above.

To authorise the Board of Directors so that it may sell or redeem the shares acquired or use the own shares acquired, in whole or in part, for remuneration schemes which purpose is or that provide for the delivery of shares or share options in accordance with section 1.a) of article 146 of the Spanish Companies Act.

The Board of Directors is authorised, in the broadest terms, to use the authorisation covered by this resolution to implement and develop it fully, to which end it is entitled to delegate this authority, in the term it considers most appropriate, to any of the directors, to the Secretary or the Deputy Secretary to the Board or any other person the Board expressly authorises for this purpose.

This delegation of authority to the Board of Directors replaces the one conferred by the General Shareholders' Meeting of the Company on 21 April 2016, which will therefore be rendered void.



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## **ITEM TWELVE ON THE AGENDA**

### **Share capital increase in the nominal amount of €4,167,070 for the issuance of shares to be subscribed by the Investment Manager as performance fee pursuant to the provisions of the Investment Manager Agreement, excluding pre-emption rights and authorising the Board of Directors to implement the resolution.**

#### **RESOLUTION**

To increase Lar España's share capital in the nominal amount of €4,167,070, through the issuance of 2,083,535 ordinary shares of the Company, with a face value of €2 per share, represented in book-entry form, and with an aggregate share premium of €15,001,452.

1. **Shares' issue price.** The issue price (nominal and premium) of each new share will be €9.20.
2. **Capital increase subscriber.** The share capital increase will be addressed to Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**"), a Spanish existing company with its registered office in Madrid, calle Rosario Pino 14-16, 28020, with Spanish tax identification number A-78107125, registered with the Commercial Registry of Madrid at volume 797 (general), 772 of section 3 of the Companies Record, sheet 13, page 68,078, record 1, which has previously shown and confirmed its commitment to fully subscribe this share capital increase.
3. **Rights attached to the new shares.** The new shares, represented in book-entry form, will grant to their holders the same voting and economic rights as the Company's ordinary shares currently outstanding, from the date on which they are registered at their name in the relevant registries. The admission to trading of the new shares will not require any approval or registry of an informative prospectus by the CNMV.
4. **Date and conditions.** The Board of Directors is authorized to determine the date on which this agreement will be carried out, within a maximum term of one year since the approval of this resolution by the General Meeting, and to set out all terms and conditions of the share capital increase that are not resolved by the General Meeting, in accordance with article 297.1.a) of the Companies Law.
5. **Pre-emptive rights' exclusion.** To exclude in full the Company's shareholders pre-emptive rights in relation to this share capital increase, pursuant to the reasons described in the Board report issued on 21 March 2017 with the aim to preserve the Company's best interest.
6. **Admission to trading.** To apply for the admission to trading of the Company's ordinary shares to be issued pursuant to this resolution on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, as well as any other national or foreign markets in which the Company's shares are admitted to trading. For such purposes, the Company may make use of the exemption of publishing an informative prospectus in accordance with article 26.1.a) of Royal Decree 1310/2005 of 4 November.
7. **Subscription and disbursement.** The share capital increase shall be fully subscribed and paid up in cash in the time and manner determined by the persons so empowered pursuant to this resolution.
8. **Incomplete subscription.** The Board of Directors may resolve an incomplete subscription of the share capital increase and declare the share capital increased in the amount effectively subscribed in accordance with article 311 of the Spanish Companies Act.



9. Delegation of powers. Pursuant to the provisions of article 297.1.a) of the Spanish Companies Act, to authorize the Board of Directors, with express substitution faculties in all of its members, so that any of them, individually, may implement this resolution and set out all the conditions not resolved by this General Meeting of the Company and, in particular, without limitation, may:

- (i) Notify Grupo Lar of the approval of this resolution, establish the date on which the capital increase will be implemented and request that Grupo Lar pays up the shares.
- (ii) Declare the share capital increase completed once the new shares have been subscribed and paid up by Grupo Lar, either fully or not, granting any appropriate public or private companies for the share capital increase to be completed, and declare the Company By-laws amended in the terms set out in section 2 of the Board's report issued in relation to the capital increase; or, if the Company's share capital varies from the date of issuance of such report and the date on which the relevant capital increase is implemented, due to any capital increase or increase of the number of Company shares approved by the General Shareholders' Meeting, adjust the share capital figure and the number of shares to be issued and amend the Bylaws' article relating to the Company's share capital accordingly.
- (iii) Appear before a notary public and grant the relevant share capital increase public deed, apply for its registry with the Commercial Registry and make any mandatory announcements of the issuance, as well as grant any necessary documents, either public or private, to declare completion of the capital increase's subscription.
- (iv) Apply for the admission to trading of the Company's ordinary shares to be issued on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, as well as any other national or foreign markets in which the Company's shares are admitted to trading.
- (v) Draft, subscribe and file with the CNMV or any competent supervisors any necessary documents in relation to the issuance and admission to trading of the new shares and, in particular, any documents or information that are required pursuant to the provisions of the Spanish Securities Act and Royal Decree 1310/2005 of 4 November (as amended by Royal Decree 1698/2012, of 21 December), concerning the admission to trading of securities on the official secondary markets, public offerings and the prospectus required for these purposes, to the extent applicable; moreover, carry out on behalf of the Company any acts, statements or steps that may be required before the CNMV, Iberclear, the Stock Exchanges governing bodies and any other organism or entity or registry, either public or private, domestic or foreign, and take any necessary steps for the new ordinary shares to be recorded in Iberclear's registries and admitted to listing on the Stock Exchanges where the Company's shares currently outstanding trade and the Automated Quotation System (Sistema de Interconexión Bursátil or SIBE).
- (vi) Amend, clarify, construe, specify or complement any resolutions adopted by the General Meeting, or in any public deeds or documents granted to implement such resolutions, and in particular any errors or omissions, of form or substance, that may hinder the registry of the resolutions with the Commercial Registry, the CNMV's Official Records or any other registries.
- (vii) Grant on behalf of the Company any necessary or appropriate documents, either public or private, to complete the share capital increase hereby approved and, in general, carry out any necessary acts for the implementation of this resolution and the issue of the shares.



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### **ITEM THIRTEEN ON THE AGENDA**

#### **Delegation of powers to formalise and implement all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion thereof into a public instrument, and for the interpretation, correction, supplementation thereof, further elaboration thereon, and registration thereof.**

#### **RESOLUTION**

Without prejudice to the powers delegated in the preceding resolutions, to jointly and severally authorise the Board of Directors, the Chairman, the Secretary and the Deputy Secretary to the Board of Directors, such that any of them, to the fullest extent permitted by law, may implement the resolutions adopted by the shareholders acting at this General Shareholders' Meeting, for which purpose they may:

- (a) Elaborate on, clarify, make more specific, interpret, complete, and correct them.
- (b) Carry out such acts or legal transactions as may be necessary or appropriate for the implementation of the resolutions, execute such public or private documents as they deem necessary or appropriate for the full effectiveness thereof, and correct all omissions, defects, or errors, whether substantive or otherwise, that might prevent the recording thereof with the Commercial Registry.
- (c) Prepare restated texts of the By-Laws including the amendments approved at this General Shareholders' Meeting.
- (d) Delegate to one or more of its members all or part of the powers of the Board of Directors that they deem appropriate, including those corresponding to the Board of Directors and all that have been expressly allocated to them by the shareholders acting at this General Shareholders' Meeting, whether jointly or severally.
- (e) Determine all other circumstances that may be required, adopt and implement the necessary resolutions, publish the notices, and provide the guarantees that may be required for the purposes established by law, formalise the required documents, and carry out all necessary proceedings and comply with all requirements under the law for the full effectiveness of the resolutions adopted by the shareholders at this General Shareholders' Meeting.



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## **ITEM FOURTEEN ON THE AGENDA**

### **Consultative vote regarding the Annual Director Remuneration Report for financial year 2016.**

#### **RESOLUTION**

To approve, on a consultative basis, the Annual Director Remuneration Report for financial year 2016, the full text of which was made available to the shareholders together with the other documentation relating to the General Shareholders' Meeting from the date of publication of the announcement of the call to meeting.



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## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. JOSÉ LUIS DEL VALLE DOBLADO AS INDEPENDENT DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to section 5 of article 529 *decies* of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval to the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.1 of the Agenda in connection with the renewal of Mr José Luis del Valle Doblado as independent director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 21 of the Board of Directors' Regulation of Lar España establishes that, before proposing any director's renewal to the General Meeting, the Board of Directors will assess the proposed directors' quality of the work and dedication during their previous offices.

In light of the foregoing, and in view of the expiration of the term for which Mr. José Luis del Valle Doblado was appointed as independent director in 2014, the purpose of this report is to assess the competence, experience and merits of the candidate whose renewal is proposed to the Company's General Meeting.

### **2. GENERAL REASONS FOR THE PROPOSAL**

Below is described the Board's assessment of Mr. del Valle's competence, experience and merits and his suitability to fulfill his duties as independent director of the Company, based on the reasoned proposal issued by the Appointments and Remuneration Committee of the Company in its meeting held on 21 March 2017, in accordance with section 4 of article 529 *decies* of the Companies Law.

The referred proposal of the Appointments and Remuneration Committee is fully endorsed by the Board and is attached as an **Annex** hereto.

For the purposes of 518.e) of the Companies Law, this report contains complete information on the identity, curriculum vitae and class of director to which the candidate belongs.

#### **1. Professional and biographical profile**

Mr. del Valle has a wide professional career in banking and energy sector.

From 1988 to 2002, Mr. del Valle held different positions in Banco Santander, one of the largest financial entities in Spain. In 1999 he was appointed General Director and Chief Financial Officer of the





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bank (1999-2002). Subsequently, he was appointed Strategy and Corporate Development Director of Iberdrola, one of the major Spanish energy companies (2002-2008), CEO of Scottish Power (2007-2008), Strategy and Studies Director of Iberdrola (2008-2010) and advisor to the Chairman of the wind turbine's manufacturer of Gamesa (2011-2012).

At present he is non-executive Chairman of the Board of GES – Global Energy Services, supplier of construction, transaction and maintenance services for renewable energies industry; he is director of the insurance group Ocaso; of Abengoa, S.A., supplier of innovative technological solutions for sustainable development; of Verditek Plc, an investor in clean technologies; and of Instituto de Consejeros-Administradores.

Mr. del Valle holds a mining engineering degree from Politécnica University (Madrid, Spain), ranking first in his class, and Master of Science and Nuclear Engineer degrees from Massachusetts Institute of Technology (Cambridge, EE. UU.). He also holds an MBA with high distinction from Harvard Business School (Boston, EE. UU.).

## 2. Other directorships

Mr. del Valle currently belongs to the Board of Directors of listed companies Abengoa, S.A. and Verditek Plc. Consequently, Mr. del Valle complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

## 3. Work quality and dedication

The Board of Directors understands that Mr. del Valle has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Board of Directors considers that Mr. del Valle has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## 3. **RESOLUTION PROPOSAL**

Pursuant to the above, the Board of Directors endorses the proposal of the Appointments and Remuneration Committee and believes that Mr. del Valle has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Board submits a favourable report on Mr. del Valle's renewal as independent director for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

### **6.1 Renewal of Mr. José Luis del Valle Doblado as independent director of the Company**

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. José Luis del Valle Doblado, as independent director for the statutory term of three years.*





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## ANNEX

# **PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE BOARD OF DIRECTORS TO SUBMIT TO THE GENERAL SHAREHOLDERS' MEETING THE RENEWAL OF MR. JOSÉ LUIS DEL VALLE DOBLADO AS INDEPENDENT DIRECTOR**

## **1. INTRODUCTION**

The Appointments and Remuneration Committee of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), pursuant to section 5 of article 529 decies of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Companies Law**”), makes this proposal that is submitted for approval to the General Shareholders’ Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.1 of the Agenda in connection with the renewal of Mr. José Luis del Valle Doblado as independent director of the Company.

Section 4 of article 529 decies of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 15.1.4 of the Board of Directors' Regulation of Lar España attributes to this Committee the responsibility to submit directors' renewals proposals to the Company's General Meeting.

For these purposes, and in view of the expiration of the term for which Mr. José Luis del Valle Doblado was appointed as independent director in 2014, the Appointments and Remuneration Committee has analyzed the Board's current composition, assessing whether the Board members have the knowledge, competence and experience necessary, in aggregate, to properly perform its duties and defining the time and dedication necessary for directors to effectively serve their office.

The Committee has also reviewed the candidate's professional and biographical profile.

Mr. del Valle has a wide professional career in banking and energy sector.

From 1988 to 2002, Mr. del Valle held different positions in Banco Santander, one of the largest financial entities in Spain. In 1999 he was appointed General Director and Chief Financial Officer of the bank (1999-2002). Subsequently, he was appointed Strategy and Corporate Development Director of Iberdrola, one of the major Spanish energy companies (2002-2008), CEO of Scottish Power (2007-2008), Strategy and Studies Director of Iberdrola (2008-2010) and advisor to the Chairman of the wind turbine's manufacturer of Gamesa (2011-2012).

At present he is non-executive Chairman of the Board of GES – Global Energy Services, supplier of construction, transaction and maintenance services for renewable energies industry; he is director of the insurance group Ocaso; of Abengoa, S.A., supplier of innovative technological solutions for sustainable development; of Verditek Plc, an investor in clean technologies; and of Instituto de Consejeros-Administradores.

Mr. del Valle holds a mining engineering degree from Politécnica University (Madrid, Spain), ranking first in his class, and Master of Science and Nuclear Engineer degrees from Massachusetts



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Institute of Technology (Cambridge, EE. UU.). He also holds an MBA with high distinction from Harvard Business School (Boston, EE. UU.).

As for Mr. del Valle's work quality and dedication, the Appointments and Remuneration Committee understands that Mr. del Valle has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Appointments and Remuneration Committee considers that Mr. del Valle has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## **2. RESOLUTION PROPOSAL**

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. del Valle has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Committee submits to the Board the proposal to renew Mr. del Valle as independent director of the Company for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

##### ***6.1 Renewal of Mr. José Luis del Valle Doblado as independent director of the Company***

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. José Luis del Valle Doblado, as independent director for the statutory term of three years*



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

## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. PEDRO LUIS URIARTE SANTAMARINA AS INDEPENDENT DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to section 5 of article 529 *decies* of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval to the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.2 of the Agenda in connection with the renewal of Mr. Pedro Luis Uriarte Santamarina as independent director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 21 of the Board of Directors' Regulation of Lar España establishes that, before proposing any director's renewal to the General Meeting, the Board of Directors will assess (with the abstention of the affected directors) the proposed directors' quality of the work and dedication during their previous office.

In light of the foregoing, and in view of the expiration of the term for which Mr. Pedro Luis Uriarte Santamarina was appointed as independent director in 2014, the purpose of this report is to assess the competence, experience and merits of the candidate whose renewal is proposed to the Company's General Meeting.

### **2. GENERAL REASONS FOR THE PROPOSAL**

Below is described the Board's assessment of Mr. Uriarte's competence, experience and merits and his suitability to fulfill his duties as independent director of the Company, based on the reasoned proposal issued by the Appointments and Remuneration Committee of the Company in its meeting held on 21 March 2017, in accordance with section 4 of article 529 *decies* of the Companies Law.

The referred proposal of the Appointments and Remuneration Committee is fully endorsed by the Board and is attached as an **Annex** hereto.

For the purposes of 518.e) of the Companies Law, this report contains complete information on the identity, curriculum vitae and class of director to which the candidate belongs.

#### **1. Professional and biographical profile**

After nine years of experience in the industry sector, from 1975 to 2001, Mr. Uriarte held different professional positions, first in BBV and subsequently in BBVA, one of the largest banks in Spain. In 1994, he was appointed CEO of BBV. Simultaneously to that position, he served as Deputy President of the Board



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of Directors of BBV and subsequently of BBVA. He also served as Deputy Chairman of the board of Telefonica and director of various companies. In the area of public administration, Mr. Uriarte served as Regional Minister of Economy and Finance of the Basque Government from 1980 to 1984. In 2007 he founded Innobasque, the Basque Innovation Agency, which he headed until 2009. Ever since, he collaborates in different I+D+i initiatives. He is currently Executive Chairman of Economía, Empresa, Estrategia, S.L., a strategic consultancy firm, and sits on several boards of directors or advisory boards of various companies, Spanish and international. He also was a member of the board of UNICEF Spain.

Mr. Uriarte holds a Business and Law degree from Deusto University (Bilbao, Spain) and is a member of the Board and Executive Committee of Deusto Business School and has been honoured with many relevant accolades such as the "Gran Cruz al Mérito Civil" (granted by the Spanish Government) in 2002, the "medalla de Oro de Guipuzkoa" in 2005 and the appointment as "Manager of the Year" (by the Spanish Confederation of Managers & Executives – CEDE) in 2011.

## 2. Other directorships

Mr. Uriarte currently belongs to other board of directors of private companies and one public company. Consequently, Mr. Uriarte complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

## 3. Work quality and dedication

The Board of Directors understands that Mr. Uriarte has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Board of Directors considers that Mr. Uriarte has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## 3. **RESOLUTION PROPOSAL**

Pursuant to the above, the Board of Directors endorses the proposal of the Appointments and Remuneration Committee and believes that Mr. Uriarte has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Board submits a favourable report on Mr. Uriarte's renewal as independent director for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

### **6.2 Renewal of Mr. Pedro Luis Uriarte Santamarina as independent director of the Company**

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Pedro Luis Uriarte Santamarina, as independent director for the statutory term of three years.*



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## ANNEX

# **PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE BOARD OF DIRECTORS TO SUBMIT TO THE GENERAL SHAREHOLDERS' MEETING THE RENEWAL OF MR. PEDRO LUIS URIARTE SANTAMARINA AS INDEPENDENT DIRECTOR**

## **1. INTRODUCTION**

The Appointments and Remuneration Committee of Lar España Real Estate SOCIMI, S.A. (the "**Company**"), pursuant to section 5 of article 529 decies of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), makes this proposal that is submitted for approval to the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.2 of the Agenda in connection with the renewal of Mr. Pedro Luis Uriarte Santamarina as independent director of the Company.

Section 4 of article 529 decies of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 15.1.4 of the Board of Directors' Regulation of Lar España attributes to this Committee the responsibility to submit directors' renewals proposals to the Company's General Meeting.

For these purposes, and in view of the expiration of the term for which Mr. Pedro Luis Uriarte Santamarina was appointed as independent director in 2014, the Appointments and Remuneration Committee has analyzed the Board's current composition, assessing whether the Board members have the knowledge, competence and experience necessary, in aggregate, to properly perform its duties and defining the time and dedication necessary for directors to effectively serve their office.

The Committee has also reviewed the candidate's professional and biographical profile.

After nine years of experience in the industry sector, from 1975 to 2001, Mr. Uriarte held different professional positions, first in BBV and subsequently in BBVA, one of the largest banks in Spain. In 1994, he was appointed CEO of BBV. Simultaneously to that position, he served as Deputy President of the Board of Directors of BBV and subsequently of BBVA. He also served as Deputy Chairman of the board of Telefonica and director of various companies. In the area of public administration, Mr. Uriarte served as Regional Minister of Economy and Finance of the Basque Government from 1980 to 1984. In 2007 he founded Innobasque, the Basque Innovation Agency, which he headed until 2009. Ever since, he collaborates in different I+D+i initiatives. He is currently Executive Chairman of Economía, Empresa, Estrategia, S.L., a strategic consultancy firm, and sits on several boards of directors or advisory boards of various companies, Spanish and international. He also was a member of the board of UNICEF Spain.

Mr. Uriarte holds a Business and Law degree from Deusto University (Bilbao, Spain) and is a member of the Board and Executive Committee of Deusto Business School and has been honoured with many relevant accolades such as the "Gran Cruz al Mérito Civil" (granted by the Spanish Government) in 2002, the "medalla de Oro de Guipuzkoa" in 2005 and the appointment as "Manager of the Year" (by the Spanish Confederation of Managers & Executives - CEDE) in 2011.



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As for Mr. Uriarte's work quality and dedication, the Appointments and Remuneration Committee understands that Mr. Uriarte has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Appointments and Remuneration Committee considers that Mr. Uriarte has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## **2. RESOLUTION PROPOSAL**

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. Uriarte has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Committee submits to the Board the proposal to renew Mr. Uriarte as independent director of the Company for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

#### **6.2 Renewal of Mr. Pedro Luis Uriarte Santamarina as independent director of the Company**

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Pedro Luis Uriarte Santamarina, as independent director for the statutory term of three years.*





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

## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. ALEC EMMOTT AS INDEPENDENT DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to section 5 of article 529 *decies* of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval to the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.3 of the Agenda in connection with the renewal of Mr. Alec Emmott as independent director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 21 of the Board of Directors' Regulation of Lar España establishes that, before proposing any director's renewal to the General Meeting, the Board of Directors will assess (with the abstention of the affected directors) the proposed directors' quality of the work and dedication during their previous office.

In light of the foregoing, and in view of the expiration of the term for which Mr. Alec Emmott was appointed as independent director in 2014, the purpose of this report is to assess the competence, experience and merits of the candidate whose renewal is proposed to the Company's General Meeting.

### **2. GENERAL REASONS FOR THE PROPOSAL**

Below is described the Board's assessment of Mr. Emmott's competence, experience and merits and his suitability to fulfill his duties as independent director of the Company, based on the reasoned proposal issued by the Appointments and Remuneration Committee of the Company in its meeting held on 21 March 2017, in accordance with section 4 of article 529 *decies* of the Companies Law.

The referred proposal of the Appointments and Remuneration Committee is fully endorsed by the Board and is attached as an **Annex** hereto.

For the purposes of 518.e) of the Companies Law, this report contains complete information on the identity, curriculum vitae and class of director to which the candidate belongs.

#### **1. Professional and biographical profile**

Mr. Emmott has a wide career in the listed and unlisted real estate sector in Europe, and is based in Paris. He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012.

He is currently the Principal of Europroperty Consulting, and since 2011 he is a Director of CeGeREAL S.A. (representing Europroperty Consulting). He is also member of the advisory committee of Weinberg Real Estate Partners (WREP I and II).



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He has been a member of the Royal Institution of Chartered Surveyors (MRICS) since 1971. Mr. Emmott holds an MA from Trinity College (Cambridge UK).

## 2. Other directorships

Mr. Emmott currently sits in the Board of CeGeREAL S.A. (representing Europroperty Consulting). Consequently, Mr. Emmott complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

## 3. Work quality and dedication

The Board of Directors understands that Mr. Emmott has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Board of Directors considers that Mr. Emmott has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## 3. RESOLUTION PROPOSAL

Pursuant to the above, the Board of Directors endorses the proposal of the Appointments and Remuneration Committee and believes that Mr. Emmott has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Board submits a favourable report on Mr. Emmott's renewal as independent director for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

### **6.3 Renewal of Mr. Alec Emmott as independent director of the Company**

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Alec Emmott, as independent director for the statutory term of three years.*





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## ANNEX

# **PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE BOARD OF DIRECTORS TO SUBMIT TO THE GENERAL SHAREHOLDERS' MEETING THE RENEWAL OF MR. ALEC EMMOTT AS INDEPENDENT DIRECTOR**

## **1. INTRODUCTION**

The Appointments and Remuneration Committee of Lar España Real Estate SOCIMI, S.A. (the "**Company**"), pursuant to section 5 of article 529 decies of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), makes this proposal that is submitted for approval to the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.3 of the Agenda in connection with the renewal of Mr. Alec Emmott as independent director of the Company.

Section 4 of article 529 decies of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 15.1.4 of the Board of Directors' Regulation of Lar España attributes to this Committee the responsibility to submit directors' renewals proposals to the Company's General Meeting.

For these purposes, and in view of the expiration of the term for which Mr. Alec Emmott was appointed as independent director in 2014, the Appointments and Remuneration Committee has analyzed the Board's current composition, assessing whether the Board members have the knowledge, competence and experience necessary, in aggregate, to properly perform its duties and defining the time and dedication necessary for directors to effectively serve their office.

The Committee has also reviewed the candidate's professional and biographical profile.

Mr. Emmott has a wide career in the listed and unlisted real estate sector in Europe, and is based in Paris. He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012.

He is currently the Principal of Europroperty Consulting, and since 2011 he is a Director of CeGeREAL S.A. (representing Europroperty Consulting). He is also member of the advisory committee of Weinberg Real Estate Partners (WREP I and II).

He has been a member of the Royal Institution of Chartered Surveyors (MRICS) since 1971. Mr. Emmott holds an MA from Trinity College (Cambridge UK).

As for Mr. Emmott's work quality and dedication, the Appointments and Remuneration Committee understands that Mr. Emmott has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Appointments and Remuneration Committee considers that Mr. Emmott has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.



*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. RESOLUTION PROPOSAL**

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. Emmott has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Committee submits to the Board the proposal to renew Mr. Emmott as independent director of the Company for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

### ***6.3 Renewal of Mr. Alec Emmott as independent director of the Company***

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Alec Emmott, as independent director for the statutory term of three years.*



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

## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. ROGER MAXWELL COOKE MBE AS INDEPENDENT DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to section 5 of article 529 *decies* of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval to the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.4 of the Agenda in connection with the renewal of Mr. Roger Maxwell Cooke MBE as independent director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 21 of the Board of Directors' Regulation of Lar España establishes that, before proposing any director's renewal to the General Meeting, the Board of Directors will assess (with the abstention of the affected directors) the proposed directors' quality of the work and dedication during their previous office.

In light of the foregoing, and in view of the expiration of the term for which Mr. Roger Maxwell Cooke MBE was appointed as independent director in 2014, the purpose of this report is to assess the competence, experience and merits of the candidate whose renewal is proposed to the Company's General Meeting.

### **2. GENERAL REASONS FOR THE PROPOSAL**

Below is described the Board's assessment of Mr. Cooke's competence, experience and merits and his suitability to fulfill his duties as independent director of the Company, based on the reasoned proposal issued by the Appointments and Remuneration Committee of the Company in its meeting held on 21 March 2017, in accordance with section 4 of article 529 *decies* of the Companies Law.

The referred proposal of the Appointments and Remuneration Committee is fully endorsed by the Board and is attached as an **Annex** hereto.

For the purposes of 518.e) of the Companies Law, this report contains complete information on the identity, curriculum vitae and class of director to which the candidate belongs.

#### **1. Professional and biographical profile**

Mr. Cooke is an experienced professional with more than 30 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting



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valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, heading the company to attain a leading position in the sector.

In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment.

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since May 2014, Mr. Cooke has been a Senior Advisor at Ernst & Young.

## 2. Other directorships

Mr. Cooke complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

## 3. Work quality and dedication

The Board of Directors understands that Mr. Cooke has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Board of Directors considers that Mr. Cooke has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## **3. RESOLUTION PROPOSAL**

Pursuant to the above, the Board of Directors endorses the proposal of the Appointments and Remuneration Committee and believes that Mr. Cooke has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Board submits a favourable report on Mr. Cooke's renewal as independent director for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

#### **6.4 Renewal of Mr. Roger Maxwell Cooke MBE as independent director of the Company**

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Roger Maxwell Cooke MBE, as independent director for the statutory term of three years.*



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

## ANNEX

# **PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE BOARD OF DIRECTORS TO SUBMIT TO THE GENERAL SHAREHOLDERS' MEETING THE RENEWAL OF MR. ROGER MAXWELL COOKE MBE AS INDEPENDENT DIRECTOR**

## **1. INTRODUCTION**

The Appointments and Remuneration Committee of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), pursuant to section 5 of article 529 *decies* of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Companies Law**”), makes this proposal that is submitted for approval to the General Shareholders’ Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.4 of the Agenda in connection with the renewal of Mr. Roger Maxwell Cooke MBE as independent director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 15.1.4 of the Board of Directors' Regulation of Lar España attributes to this Committee the responsibility to submit directors' renewals proposals to the Company's General Meeting.

For these purposes, and in view of the expiration of the term for which Mr. Roger Maxwell Cooke MBE was appointed as independent director in 2014, the Appointments and Remuneration Committee has analyzed the Board's current composition, assessing whether the Board members have the knowledge, competence and experience necessary, in aggregate, to properly perform its duties and defining the time and dedication necessary for directors to effectively serve their office.

The Committee has also reviewed the candidate's professional and biographical profile.

Mr. Cooke is an experienced professional with more than 30 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, heading the company to attain a leading position in the sector.

In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since May 2014, Mr. Cooke has been a Senior Advisor at Ernst & Young.

As for Mr. Cooke's work quality and dedication, the Appointments and Remuneration Committee understands that Mr. Cooke has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the



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Appointments and Remuneration Committee considers that Mr. Cooke has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## **2. RESOLUTION PROPOSAL**

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. Cooke has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Committee submits to the Board the proposal to renew Mr. Cooke as independent director of the Company for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

#### ***6.4 Renewal of Mr. Roger Maxwell Cooke MBE as independent director of the Company***

*Following the proposal of the Appointments and Remuneration Committee and based on the favorable report issued by the Company's Board of Directors, it is resolved to renew the appointment of Mr. Roger Maxwell Cooke MBE, as independent director for the statutory term of three years.*



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## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. MIGUEL PEREDA ESPEO AS PROPRIETARY DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to section 5 of article 529 *decies* of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval to the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.5 of the Agenda in connection with the renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew directors other than independent directors corresponds to the Board of Directors. Section 6 of this article adds that such proposal must be accompanied by a report prepared by the Appointments and Remuneration Committee.

Article 21 of the Board of Directors' Regulation of Lar España establishes that, before proposing any director's renewal to the General Meeting, the Board of Directors will assess (with the abstention of the affected directors) the proposed directors' quality of the work and dedication during their previous office.

In light of the foregoing, and in view of the expiration of the term for which Mr. Miguel Pereda Espeso was appointed as proprietary director in 2014, the purpose of this report is to assess the competence, experience and merits of the candidate whose renewal is proposed to the Company's General Meeting.

### **2. GENERAL REASONS FOR THE PROPOSAL**

Below is described the Board's assessment of Mr. Pereda's competence, experience and merits and his suitability to fulfill his duties as proprietary director of the Company, based on the favorable report issued by the Appointments and Remuneration Committee of the Company in its meeting held on 21 March 2017, in accordance with section 6 of article 529 *decies* of the Companies Law.

Such report of the Appointments and Remuneration Committee is attached as an **Annex** hereto.

For the purposes of 518.e) of the Companies Law, this report contains complete information on the identity, curriculum vitae and class of director to which the candidate belongs.

#### **1. Professional and biographical profile**

Mr. Pereda has more than 25 years of experience in the real estate sector. He has been a director of Grupo Lar Inversiones Inmobiliarias, S.A. for more than 10 years, and previously, for a period of 6 years, was Chief Executive Officer of Lar Grosvenor. In 2015, he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London.





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Currently, he is the chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and of Altamira Lar foundation.

Mr. Pereda has a degree in business administration from Universidad Complutense (Madrid, Spain), an MBA from the Instituto de Empresa (IE), participated in the Breakthrough program for Senior Executives of the IMD, has a Masters in tax from ICADE and participated in the Real Estate Management Program of Harvard University.

## 2. Other directorships

Mr. Pereda complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

In particular, Mr. Pereda sits in the Board of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and other companies of its group. He was expressly authorised to serve this office and to receive the relevant remunerations in 2014 by the then sole shareholder of the Company. Such authorisation was renewed by the General Meeting held on 21 April 2016.

## 3. Work quality and dedication

The Board of Directors understands that Mr. Pereda has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Board of Directors considers that Mr. Pereda has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## **3. RESOLUTION PROPOSAL**

Pursuant to the above, the Board of Directors understands that Mr. Pereda has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Board submits to the Board the proposal to renew Mr. Pereda as proprietary director of the Company for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Renewal of directors**

#### **RESOLUTION**

#### **6.5 Renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company**

*Following the proposal of the Company's Board of Directors and based on the favorable report issued by the Appointments and Remuneration Committee, it is resolved to renew the appointment of Mr. Miguel Pereda Espeso, as proprietary director for the statutory term of three years.*



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## **REPORT SUBMITTED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. MIGUEL PEREDA ESPESO AS PROPRIETARY DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Appointments and Remuneration Committee of Lar España Real Estate SOCIMI, S.A. (the “**Company**”) pursuant to section 5 of article 529 *decies* of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Companies Law**”), to explain the proposal submitted for approval to the General Shareholders’ Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item 6.5 of the Agenda in connection with the renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew directors other than independent directors corresponds to the Board of Directors. Section 6 of this article adds that such proposal must be accompanied by a report prepared by the Appointments and Remuneration Committee.

Article 15.1.4 of the Board of Directors’ Regulation of Lar España attributes to this Committee the responsibility to issue a report on proposals to renew directors other than independent directors.

In light of the foregoing, and in view of the expiration of the term for which Mr. Miguel Pereda Espeso was appointed as proprietary director in 2014, the Appointments and Remuneration Committee issues this report to explain the proposal to renew Mr. Miguel Pereda Espeso as proprietary director of the Company.

#### **1. Board composition**

The Committee has analyzed the Board of Directors’ current composition, assessing whether the Board members have the knowledge, competence and experience necessary, in aggregate, to properly perform its duties and defining the time and dedication necessary for directors to effectively serve their office.

#### **2. Professional and biographical profile**

Mr. Pereda has more than 25 years of experience in the real estate sector. He has been a director of Grupo Lar Inversiones Inmobiliarias, S.A. for more than 10 years, and previously, for a period of 6 years, was Chief Executive Officer of Lar Grosvenor. In 2015, he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London.

Currently, he is the chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and of Altamira Lar foundation.

Mr. Pereda has a degree in business administration from Universidad Complutense (Madrid, Spain), an MBA from the Instituto de Empresa (IE), participated in the Breakthrough program for Senior



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Executives of the IMD, has a Masters in tax from ICADE and participated in the Real Estate Management Program of Harvard University.

### 3. Other directorships

Mr. Pereda complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

In particular, Mr. Pereda sits in the Board of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and other companies of its group. He was expressly authorised to serve this office and to receive the relevant remunerations in 2014 by the then sole shareholder of the Company. Such authorisation was renewed by the General Meeting held on 21 April 2016.

### 4. Work quality and dedication

The Appointments and Remuneration Committee understands that Mr. Pereda has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Appointments and Remuneration Committee considers that Mr. Pereda has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## 2. **FAVORABLE REPORT**

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. Uriarte has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Committee issues a favorable report on the proposal to renew Mr. Pereda as a proprietary director of the Company for the statutory term of three years.



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## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED AUTHORIZED CAPITAL RESOLUTION SET OUT IN ITEM EIGHT ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to articles 286, 297.1.b) and 506 of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval by the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item eight on the agenda, in connection with the authorization to the Board of Directors of the Company to increase the share capital, within five years, by up to one-half of the share capital existing at the time of the authorization, on one or more occasions and at the time and in the amount it deems appropriate, with the power to exclude pre-emptive rights as established in article 506 of the Companies Law.

### **2. GENERAL REASONS FOR THE PROPOSAL**

According to article 297.1.b) of the Companies Law, the shareholders at the General Shareholders' Meeting may, by complying with the requirements established for the amendment of the By-Laws, delegate to the Board of Directors the power to resolve, on one or more occasions, to increase the share capital up to a given amount, at the time and in the amount the Board decides, without first consulting with the shareholders at the General Shareholders' Meeting. This provision establishes that the amount of such capital increases may under no circumstances exceed one-half of the share capital of the Company at the time of the authorisation and that they must be made by cash contributions within a maximum period of five years following the date on which the resolution is adopted at the General Shareholders' Meeting.

The Board of Directors understands that the proposed resolution submitted for approval by the shareholders at the General Shareholders' Meeting is justified by the advisability of making use of the mechanism contemplated by current corporate laws and regulations whereby one or more increases in share capital may be approved without calling or holding a new General Shareholders' Meeting, though subject to the limits, terms and conditions that it decides. Therefore, the aim is to give the Board of Directors the responsiveness required to operate in an environment in which the success of a strategic initiative often depends on the ability to undertake it rapidly, without sustaining the delays and costs associated with holding General Shareholders' Meetings.

In addition, article 506 of the Companies Law states that, in listed companies, when the shareholders at the General Shareholders' Meeting delegate the power to increase the share capital, the Board of Directors may also be given the power to exclude pre-emptive rights when the circumstances set out in this provision are present, provided that the par value of the shares to be issued plus the issue premium, if any, is equal to the fair value of the shares of the Company as set out in the report to be prepared, at the request of the Board of Directors, by an auditor other than the Company's auditor, appointed for this purpose by the Commercial Registry each time the Board exercises the power to exclude pre-emptive rights.



This possibility of excluding pre-emptive rights is also expressly provided for in article 13 of the Company's current By-Laws.

The Board of Directors understands that the power to exclude pre-emptive rights, as a supplement to the power to increase share capital, is justified for several reasons. First, the exclusion of pre-emptive rights often makes it possible to relatively reduce the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issuance) as compared to an issuance made with pre-emptive rights. Second, the power to exclude pre-emptive rights enables the directors to significantly increase speed and responsiveness occasionally required in today's financial markets, such that the Company may take advantage of the moments when market conditions are more favorable. In addition, the exclusion of pre-emptive rights may allow the Company to optimize the financial conditions of the transaction and, in particular, the issue price of the new shares, as it may align it to the expectations of the qualified investors to whom such capital increases are customarily addressed, while reducing execution risks through a lower exposure of the transaction to changes in market conditions. Finally, the exclusion of pre-emptive rights mitigates the effect of distortion in the trading of the Company's shares during the issuance period, which is normally shorter than in the case of an issuance with pre-emptive rights.

In any event, the ability to exclude pre-emptive rights is a power that the shareholders acting at the General Shareholders' Meeting delegate to the Board of Directors, and it is within the purview of the Board to decide in each case, in view of the specific circumstances and in compliance with legal requirements, whether or not such rights should effectively be excluded. If the Board of Directors decides to make use of the power to exclude pre-emptive rights in connection with a specific capital increase that it may ultimately approve exercising the authorisation granted by the shareholders at the General Shareholders' Meeting, a directors' report and an auditor's report must be prepared pursuant to article 308 of the Companies Law. As provided for by article 506 of the Companies Law, both of these reports must be made available to the shareholders and disclosed at the first General Shareholders' Meeting held after the capital increase resolution is adopted.

Furthermore, although neither the Companies Law nor the Company's By-Laws impose any kind of limit on the right of the shareholders acting at the General Shareholders' Meeting to delegate to the Board of Directors the power to exclude pre-emptive rights, within a maximum of 50% of the share capital at the time of the authorisation, the Board of Directors has deemed it more appropriate, in line with national and international trends and recommendations on good corporate governance, to limit the use of such power to a maximum of 20% of the share capital at the time of the authorisation.

In respect of the issue price of share capital increases approved by the Board of Directors under this delegation, it is proposed that if the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, the issue price of the relevant share capital Increase may not be lower than the unitary share price resulting from the latest Company's EPRA NAV published on the date of the relevant share capital increase resolution.

As for capital increases with pre-emption rights, the Board of Directors may only increase the Company's share capital by virtue of this delegation when the market value of the Company's outstanding shares at closing of the business day immediately prior to the date on which the relevant resolution is passed is not lower than the latest EPRA NAV per share published by the Company.

Likewise, the proposal also contemplates applying, where appropriate, for the listing of the shares to be issued by the Company pursuant to delegation of powers on the Spanish or foreign, official or unofficial, organized or other secondary markets, authorising the Board of Directors to carry out all acts



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and formalities necessary with the appropriate authorities of the various Spanish or foreign securities markets for the shares to be admitted to listing.

Finally, it is proposed to expressly authorise the Board of Directors to delegate the powers contemplated in the proposed resolution to which this report refers.

The delegation of powers to which this report refers substitutes that granted by the ordinary Shareholders' Meeting on April 21, 2016, which, consequently, is deprived of effect.

In particular, the proposed resolution submitted for approval by the shareholders at the General Shareholders' Meeting reads as follows:

### **ITEM EIGHT ON THE AGENDA**

**Delegation in the Board of Directors, with the express power of substitution, for a term of five years, the power to increase the share capital pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act, by up to one-half of the share capital on the date of the delegation. Delegation of the power to exclude pre-emptive rights in connection with the capital increases that the Board may approve under this authorisation, provided, however, that this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital on the date of this authorisation.**

### **RESOLUTION**

*To authorise the Board of Directors, as broadly as may be required by Law, so that, as permitted by Article 297.1.b) of the Spanish Companies Act, it may increase the share capital on one or more occasions and at any time within a term of five years from the date of approval of this resolution, by up to one-half of the current share capital.*

*Said share capital increase or increases may be carried out with or without a premium, either by increasing the par value of the outstanding shares with the requirements set forth in the Law, or by issuing new ordinary or privileged shares (with or without voting rights), or redeemable shares, or any other type of shares valid under the applicable Laws, or different types of shares at one time, the consideration for which shall be cash contributions.*

*The Board of Directors shall decide, in connection with each increase, whether the new shares to be issued are common, preferred, redeemable, non-voting or any other kinds of shares among those permitted by Law. In addition, the Board of Directors may establish, as to all matters not otherwise contemplated, the terms and conditions of the share capital increase and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made and amend the article of the By-Laws relating to share capital and number of shares.*

*Furthermore, in connection with the share capital increases that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by Article 506 of the Spanish Companies Act, provided, however, that such power shall be limited to share capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the current share capital of the Company.*





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*In any event, if the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, they will draft a detailed report explaining the purpose of such exclusion based on the Company's interest, along with the relevant Board's resolution and the corresponding from an account auditor other than the Company's auditor according to Article 506 of the Spanish Companies Act. Said reports will immediately be delivered in the Company's website and made available to all shareholders and communicated at the first General Shareholders Meeting after the issuance resolution.*

*If the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, the issue price of the relevant share capital Increase may not be lower than the unitary share price resulting from the latest Company's EPRA NAV published on the date of the relevant share capital increase resolution.*

*As for capital increases with pre-emption rights, the Board of Directors may only increase the Company's share capital by virtue of this delegation when the market value of the Company's outstanding shares at closing of the business day immediately prior to the date on which the relevant resolution is passed is not lower than the latest EPRA NAV per share published by the Company.*

*By virtue of this authorisation, the Board of Directors is also empowered to make application for listing of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organized or other secondary markets, and to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the securities markets.*

*The Board of Directors is also authorised to delegate in favour of any director or directors it deems appropriate the powers delegated thereto under this resolution.*

*Likewise, the Board of Directors is authorised, as broadly as may be required by Law, with substitution powers in any of the Company's directors, such that any of them, may carry out such acts as may be necessary and execute such public or private documents or agreements as may be necessary or convenient for the full effectiveness of the above resolution in any aspect and, in particular, to elaborate on, clarify, make more specific, interpret, complete, and correct it; also, to correct the defects, errors or omissions which may be observed in the oral or written assessment of the Commercial Registrar, as broadly as possible.*

*The present delegation of powers to the Board of Directors replaces the one granted by the ordinary Shareholders' Meeting on April 21, 2016, which will therefore be rendered void.*





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## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED DELEGATION TO THE BOARD OF DIRECTORS OF THE POWER TO ISSUE CONVERTIBLE OR EXCHANGEABLE DEBENTURES OR BONDS, AS WELL AS WARRANTS INCLUDED IN ITEM TEN ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017 UPON FIRST CALL AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been drawn up by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the **"Company"**) pursuant to the provisions of Section 511 of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the **"Companies Law"**) and Section 319 of the Regulations of the Commercial Registry, applying the provisions of Section 297.1.(b) of the Companies Law by analogy to support the proposal -which is submitted for approval of the shareholders at the General Shareholders' Meeting of the Company called to be held on April 27 and 28, 2017, upon first and second call, respectively, under item ten on the Agenda, relating to the delegation to the Board of Directors, with the express power to delegate in others, to issue debentures or bonds that are convertible into and/or exchangeable for shares of the Company or of other companies within or outside of its group, and warrants on newly-issued shares or outstanding shares of the Company or of other companies within or outside of its group.

### **2. GENERAL REASONS FOR THE PROPOSAL**

The Board of Directors regards it as highly desirable to hold the delegated powers allowed by current legislation in order to be at all times in a position to raise, on the primary securities markets, the funds that are necessary for the appropriate management of the corporate interests.

The purpose of the delegation is to provide the Company's decision-making body the maneuverability and responsiveness required by the competitive environment in which the Company operates, and in which the success of a strategic initiative or a financial transaction often depends on the possibility of responding quickly, without incurring the delays and costs that inevitably ensue from the call to, and holding of, a general shareholders' meeting. The Company's Board of Directors will thus be empowered, if necessary, to raise a significant volume of funds within a short period of time. This flexibility and agility is especially desirable in the current context, where changing market circumstances make it advisable for the Company's Board of Directors to have the necessary means to have recourse, at any time, to the different sources of financing available in order to obtain the most advantageous financial terms. It is highlighted that the Board of Directors submits this resolution to the approval of the General Meeting without prejudice to the Company's leverage policy approved and made public from time to time.

The issuance of debentures that are convertible into and/or exchangeable for shares is one of the instruments for the financing of companies by raising third-party funds. These securities have, on the one hand, the advantage of offering investors the possibility of converting their receivables from the Company into shares of the Company, receiving a potential return in excess of that offered by other debt instruments and, on the other hand, they allow the Company to increase equity. As a result, the coupon of convertible and/or exchangeable debentures is generally lower than the cost of simple fixed-income



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securities and bank debt given that the interest rate of the debentures reflects the underlying value of the option investors hold to convert them into shares of the Company.

For such purpose, pursuant to the provisions of Section 319 of the Regulations of the Commercial Registry and the general rules regarding issuance of debentures, and in accordance with Articles 12, 16, 17 and 18 of the Company's By-Laws, the resolution proposed under item eight of the agenda is submitted to the shareholders at the General Shareholders' Meeting for consideration. As far as warrants are concerned, it is specifically provided that the legal and contractual provisions applicable to convertible and/or exchangeable debentures will apply to warrants to the extent that they are compatible with the specific nature thereof.

The proposal specifically grants the Board of Directors the power to issue, on one or more occasions, convertible and/or exchangeable bonds and warrants entitling the holders thereof to subscribe newly-issued shares of the Company or to acquire shares of the Company that may then be outstanding and to resolve, when appropriate, to carry out the capital increase required to accommodate the conversion or the exercise of the option to subscribe for the shares, provided such increase, individually or cumulatively with any increases agreed to be made pursuant to other authorisations proposed by the Board of Directors to the shareholders at a General Shareholders' Meeting pursuant to the provisions of Section 297.1.b) of the Companies Law, does not exceed 50% of the share capital on the date of the resolution. The amount of the capital increases made to accommodate the conversion or exchange of debentures, warrants or other securities pursuant to this delegation, if any, will be deemed to be included within the limit available at any time to increase the share capital.

The proposed resolution submitted to the shareholders for approval at the General Shareholders' Meeting also establishes the standards to determine the terms and conditions for the conversion and/or exchange, although it entrusts to the Board of Directors, in the event that it resolves to use this authorisation granted by the shareholders at the General Shareholders' Meeting, the specific determination of some of the terms and conditions in respect of each specific issuance within the limits and in accordance with the standards established by the shareholders at the General Shareholders' Meeting. The Board of Directors will therefore be responsible for determining the specific ratio for conversion and, for such purpose, upon approving an issuance of convertible and/or exchangeable securities delegated in reliance on the authorisation granted by the shareholders at the General Shareholders' Meeting, it shall prepare a directors' report describing the specific terms and conditions for conversion applicable to the issuance, on which the auditor's report mentioned in articles 414 and 511 of the Companies Law will be prepared.

Specifically, the proposed resolution submitted by the Board of Directors for approval of the shareholders at the General Shareholders' Meeting establishes that the securities issued thereunder will be valued at their nominal amount and the shares at the fixed (determined or to be determined) or variable ratio determined in the corresponding resolution of the Board of Directors.

Thus, for purposes of the conversion and/or exchange, fixed-income securities will be valued at the nominal amount thereof and the shares at the fixed exchange ratio established by the Board of Directors in the resolution whereby the delegated powers are exercised, whether fixed or to be determined on the date or dates specified in the resolution of the Board of Directors, based on the listing price of the Company's shares on the date/s or during the period/s used as a reference in such resolution, which may not, in any event, be lower than the average exchange ratio for the shares on the Continuous Market (*Mercado Continuo*) of the Spanish Stock Exchanges, in accordance with closing listing prices during a period to be determined by the Board of Directors and which may not be greater than three months or less than five calendar days, prior to the date of approval by the Board of Directors of the



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resolution providing for the issuance of the fixed income securities, or prior to the date of payment of the securities by subscribers. A premium or discount, as appropriate, may also be set on the price per share.

It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange will be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market (*Mercado Continuo*) during a period to be determined by the Board of Directors, which may not be greater than three months or less than five calendar days prior to the date of conversion or exchange. A premium or discount, as appropriate, may also be set on the price per share in this case.

In any of the cases described in the two preceding paragraphs, it is provided that, if a discount on the price per share is established, the discount may not exceed twenty-five percent. In addition, in any of these two cases, the conversion and/or exchange price of the shares shall not be lower than the unitary share price resulting from the latest Company's EPRA NAV published (a) on the date of the relevant share capital increase Board's resolution if the conversion and/or exchange ratio is fixed or (b) on the date(s) to determine the conversion and/or exchange ratio specified on the Board's resolution, if such ratio is variable.

The Board of Directors thus considers it is given an adequate degree of flexibility to set the value of the shares for purposes of the conversion on the basis of market conditions and other applicable considerations.

Similar standards will be applied, with any changes that may be required and to the extent applicable, for the issuance of debentures (or warrants) exchangeable for shares of other companies (in this case, any references to the Spanish stock exchanges will be deemed to be references to the markets on which the shares are listed).

In the case of warrants on newly-issued shares, the rules on convertible debentures set forth in the proposed resolution will apply to the extent that they are consistent with the nature thereof.

Furthermore, as established in article 415.2 of the Companies Law, the resolution delegating the power to issue convertible securities to the Board of Directors establishes, for the purposes of the conversion thereof, that the nominal value of the debentures may not be less than the par value of the shares. Convertible debentures may likewise not be issued for an amount lower than the nominal value thereof.

In addition, it is stated for the record that the authorisation to issue the convertible and/or exchangeable securities, as well as the warrants or similar securities that may carry the right, directly or indirectly, to subscribe for or acquire shares of the Company includes, pursuant to the provisions of article 511 of the Companies Law, granting the Board of Directors the power to exclude the pre-emptive rights of the shareholders, in whole or in part, when so required to raise funds on the markets or otherwise justified by the corporate interest.

The Board of Directors believes that the exclusion of pre-emptive rights allows for a relative reduction in the financial cost and the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issuance), as compared to an issuance with pre-emptive rights, while causing less distortion in the trading of the shares of the Company during the issuance period. In any event, pursuant to the provisions of article 511 of the Companies Law, in the event that the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with one or all of the issuances it may decide to carry out pursuant to the delegated powers, it shall, when adopting the respective resolution to carry out the issuance, issue a report specifying the reasons of corporate interest justifying the measure, on which there must also be prepared the respective report of



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an auditor other than the Company's auditor appointed by the Commercial Registry, as stated in article 414 of the Companies Law. Both reports will be made available to the shareholders and disclosed at the first General Shareholders' Meeting held following approval of the resolution establishing the issuance.

While neither the Companies Law nor the By-Laws limit in any way the ability of the shareholders at the General Shareholders' Meeting to delegate to the Board of Directors the power to exclude preemptive rights, within a maximum amount of 50% of the share capital of the Company at the time of the authorisation, the Board of Directors has deemed it more appropriate, in keeping with national and international trends and recommendations on corporate governance, to limit such power, to a maximum aggregate amount of 20% of the share capital at the time of the authorisation.

In addition, it is established that the securities issued pursuant to the powers delegated hereby may be admitted to trading on the appropriate Spanish or foreign, official or unofficial, organized or other secondary market.

Furthermore, it may sometimes be desirable to issue the securities under this proposed resolution through a subsidiary and guaranteed by the Company, which is also contemplated in the By-Laws. Accordingly, it is deemed to be of interest for the shareholders at the General Shareholders' Meeting to authorise the Board of Directors to guarantee, in the name of the Company, and within the limits described above, such new issuances of convertible and/or exchangeable fixed-income securities or warrants as may be made by subsidiaries during the effective period of this resolution, in order that the Board of Directors may be granted the utmost flexibility in structuring the issuances of securities in the manner that may be most appropriate in the circumstances.

All the powers to be granted to the Board of Directors if the resolution proposed herein is adopted will be granted with the express power of delegation in favour of any director, the Secretary and the Deputy Secretary to the Board, so as to further contribute to achieving the purpose of expediting the proposed transactions.

Finally, it is proposed to deprive of effect the authorisation for the issuance of debentures or bonds exchangeable for and/or convertible into shares of the Company and warrants on newly-issued shares or shares of the Company that may then be outstanding granted by the Shareholders' Meeting on 21 April 2016.

The full text of the proposed resolution regarding delegation of the power to issue debentures or bonds that may be exchanged for and/or converted into shares of the Company and warrants on newly-issued shares or shares of the Company that may then be outstanding reads as follows.

#### **ITEM TEN ON THE AGENDA**

**Delegation to the board of directors, with the express power to delegate in others, for a term of five years, of the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies within or outside its group, or warrants on newly-issued or outstanding shares of the Company or of other companies within or outside its group, up to a maximum limit of EUR 500 million (including within this limit the amount of debt issued, if any, by virtue of the authorization granted under item nine of this agenda). Establishment of the standards for determining the basis for and terms and conditions applicable to the conversion, exchange or exercise. Delegation to the board of**



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**directors, with the express power to delegate in others, of the powers required to establish the basis for and terms and conditions applicable to the conversion, exchange or exercise, as well as, in the case of convertible debentures and bonds and warrants on newly-issued shares, the power to increase share capital to the extent required to accommodate requests for the conversion of debentures or for the exercise of warrants, with the power in the case of issues of convertible and/or exchangeable securities to exclude the pre-emptive rights of the Company's shareholders, although this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital of the Company on the date of this authorization.**

### **RESOLUTION**

Pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 286, 297 and 511 of the Spanish Companies Act (*Ley de Sociedades de Capital*), Article 319 of the Regulations of the Commercial Registry, and Articles 12, 16, 17 and 18 of the By-Laws, and with the purposes of providing the Company's directors with a flexible and efficient mechanism to access capital markets and raise funds to take advantage of investment opportunities, it is resolved to authorise the Board of Directors to issue negotiable securities under the following terms:

1. **Securities to be issued.**- The negotiable securities contemplated in this delegation may be debentures and bonds that are exchangeable for shares of the Company or of any other company within or outside of its group and/or convertible into shares of the Company, or warrants (options to subscribe for new shares of the Company or to acquire existing shares of the Company or of any other company within or outside of its group).
2. **Period of the delegation.**- The issuance of the securities covered by this delegation may be effected on one or more occasions within a maximum period of five years following the date of adoption of this resolution.
3. **Maximum amount under this delegation.**- The aggregate maximum amount of the issuance or issuances of securities approved under this delegation shall be EUR 500 million or the equivalent thereof in another currency. This sum shall be considered including the amount corresponding to issues made, if any, under the delegation approved pursuant to item nine on the Agenda. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants under the issuances resolved to be made in exercise of the powers delegated hereby shall be taken into account.

The maximum amount under this delegation is agreed in attention to the current leverage level of the Company, as well as to its possible evolution and the evolution of the Company's capitalisation during the term of this authorisation. In any event, the Board of Directors has not modified the leverage target established under the corporate documentation of Lar España (up to around 50% of loan to value or LTV ratio).

4. **Scope of the delegation.**- In exercise of the delegation of powers approved hereby, the Board of Directors shall be authorised to do the following, by way of example and not of limitation, with respect to each issuance: determine the amount thereof, always within the aforementioned overall quantitative limit, the place of issuance (in Spain or abroad), and the domestic or foreign currency, and in the case of a foreign currency, its equivalence in euros; the name or form of the securities, whether they be bonds or debentures, including subordinated debentures, warrants (which may in turn be paid by means of the physical delivery of





*the shares or, if applicable, through the payment of differences in price), or any other name or form permitted by Law; the date or dates of issuance; the number of securities and the par value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable), and the dates and procedures for payment of the coupon; whether the issuance is perpetual or subject to repayment and, in the latter case, the repayment period and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; antidilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the listing of the securities to be issued on Spanish or foreign, official or unofficial, organized or other secondary markets, subject to the requirements established by applicable regulations in each case; and, in general, any other terms of the issuance as well as, if applicable, the appointment of the security-holders' syndicate representative (comisario) and the approval of the basic rules that are to govern the legal relationships between the Company and the syndicate of holders of the securities to be issued, in the event that such syndicate must or is decided to be created.*

*In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of the security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued, as well as the respective period thereof and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.*

*5. Basis for and terms and conditions applicable to the conversion and/or exchange.- In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis for and terms and conditions applicable to the conversion and/or exchange, it is resolved to establish the following standards:*

- a) The securities issued pursuant to this resolution shall be convertible into shares of the Company or of any other company, within or outside of its group and/or exchangeable into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to decide whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals and during the period established in the resolution providing for the issuance, which may not exceed thirty years from the date of issuance.*
- b) In the event that the issuance is convertible and exchangeable, the Board may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.*
- c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof, and the shares at the fixed exchange ratio (determined or able to be determined) established in the resolution of the Board of Directors whereby this delegation of*

*powers is exercised, or at a variable ratio to be determined on the date or dates specified in such resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed exchange ratio so determined may not be less than the average exchange ratio for the shares on the Continuous Market of the Spanish Stock Exchanges on which the Company's shares are admitted to listing, in accordance with closing listing prices during a period to be set by the Board of Directors and which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above. In addition, the conversion and/or exchange price of the shares shall not be lower than the unitary share price resulting from the latest Company's EPRA NAV published (a) on the date of the relevant share capital increase Board's resolution if the conversion and/or exchange ratio is fixed or (b) on the date(s) to determine the conversion and/or exchange ratio specified on the Board's resolution, if such ratio is variable.*

- d) It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the Company's shares on the Continuous Market during a period to be set by the Board of Directors, which shall not be greater than three months nor less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance (or for each tranche of an issuance, if any), provided, however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above.*
- e) Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of the issuance, any difference that may arise in such case.*
- f) In no event may the value of the share for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. In addition, pursuant to the provisions of Article 415 of the Spanish Companies Act, debentures may not be converted into shares when the nominal value of the former is less than the par value of the latter.*

*When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion that are specifically applicable to the respective issuance. Such report shall be accompanied by the corresponding report prepared by the auditors mentioned in Article 414 of the Spanish Companies Act.*

*6. Basis for and terms and conditions for the exercise of warrants and other similar securities. In the event of issuances of warrants, it is resolved to establish the following standards:*

- a) In the case of issuances of warrants, to which the provisions of the Spanish Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to*





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*determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or of rights to acquire shares of the Company or of another company within or outside of the Group, or to a combination thereof, arising from the securities of this kind issued under the delegation granted hereby. The standards set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.*

- b) The preceding standards shall apply, with any changes that may be required and to the extent applicable, to the issuance of fixed-income securities (or warrants) that are exchangeable for shares of other companies. Where appropriate, all references to the Spanish Stock Exchanges shall be deemed made to the markets, if any, on which the respective shares are listed.*

*7. This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:*

- a) The power of the Board of Directors, as permitted by Article 511 of the Spanish Companies Act, in connection with Article 417 of said Law, to totally or partially exclude the pre-emptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures, warrants and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of an auditor, other than the Company's auditor and appointed by the Commercial Registry, mentioned in Articles 414 and 511 of the Spanish Companies Act. Both such reports shall be published in the corporate website of the Company and made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance.*

*This power shall in any event be limited to capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the share capital as of the date of adoption of this resolution.*

- b) The power to increase share capital to the extent required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board of Directors, adding the capital increase effected to accommodate the issuance of convertible debentures, warrants and other similar securities and the other capital increases approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital provided by Article 297.1(b) of the Spanish Companies Act. This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the By-Laws relating to the amount of the share capital and, if appropriate, to cancel the portion of such capital increase that was not required for the conversion of shares and/or the exercise of the right to subscribe for shares.*
- c) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares*



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*arising from the securities to be issued, taking into account the standards set out in articles 5 and 6 above.*

- d) *The delegation to the Board of Directors includes the broadest powers that may be required by Law in order to interpret, apply, implement and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding capital increase, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end, the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officers or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding capital increase to the oral or written assessment of the Commercial Registrar or, in general, of any other Spanish or foreign competent authorities, officers or entities.*

8. *Listing of securities.*- *Whenever appropriate, the Company shall make application for listing on Spanish or foreign, official or unofficial, organized or other secondary markets of the convertible and/or exchangeable debentures and/or bonds or of the warrants issued by the Company exercising the powers delegated hereby, and the Board of Directors is authorised, as fully as is required by Law, to conduct all acts and formalities that may be necessary for admission to listing before the appropriate authorities of the various Spanish or foreign securities markets.*

*It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, and, in such case, the interests of the shareholders or debentureholders opposing or not voting on the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing and delisting.*

9. *Guarantee in support of issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries.*- *As permitted in the By-Laws, the Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries during the effective period of this resolution.*

10. *Power of substitution.*- *The Board of Directors is hereby expressly authorised to delegate the powers contemplated in this resolution in favour of any director, the Secretary or the Deputy Secretary to the Board.*

11. *The present delegation of powers to the Board of Directors replaces the one granted by the General Shareholders' Meeting of the Company on 21 April 2016, which will therefore be rendered void.*



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## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED SHARE CAPITAL INCREASE EXCLUDING PRE-EMPTION RIGHTS SET OUT IN ITEM TWELVE ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 27 AND 28, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to articles 286, 296, 308 and 504 of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval by the General Shareholders' Meeting of the Company called for April 27 and 28, 2017, on first and second call, respectively, under item twelve of the agenda, relating to the share capital increase in the amount of €4,167,070, excluding pre-emption rights and authorising the Board of Directors to implement the resolution (el "**Capital Increase**").

Article 286 of the Companies Law requires, for a public company (*sociedad anónima*) to increase its share capital, that its directors issue a written report to support the bylaws' amendment that may arise from the referred share capital increase.

As for articles 308 and 504 of the Companies Law, these require, for the purposes of excluding pre-emption rights in the context of a share capital increase, that the company directors issue a report to explain the proposal in detail, specifying the companies' shares value and the consideration for the new shares, and indicating the persons to whom allocate the new shares.

In light of the foregoing, this report is divided in two sections:

- (i) first section refers to the share capital increase and the resulting bylaws' amendment (pursuant to articles 286 and 296 of the Companies Law), and
- (ii) second section refers to the exclusion of pre-emption rights (pursuant to articles 308 and 504 of the Companies Law).

### **2. REPORT SUBMITTED BY THE BOARD OF DIRECTORS PURSUANT TO ARTICLES 286 AND 296 OF THE COMPANIES LAW**

The purpose of the Capital Increase is to satisfy the performance fee (the "**Performance Fee**") to Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**" or the "**Management Company**") in consideration for the services rendered as manager of the Company, pursuant to clause 7.2 of the investment manager agreement executed between Lar España and Grupo Lar on 12 February 2014 (the "**IMA**").

The Board of Directors understands that the Capital Increase is particularly appropriate from a corporate interest standpoint as it will allow the Company to remunerate services rendered to Lar España by the Management Company during 2016 in the terms set out in the IMA. As a result, it will enable the Company to comply with its contractual obligations.

The terms and conditions of the Capital Increase proposed to the General Meeting are described below.



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1. Capital Increase amount. The Capital Increase will be approved in the amount of €4,167,070, through the issuance of 2,083,535 ordinary shares of the Company, with a face value of €2 per share, represented in book-entry form, and with an aggregate share premium of €15,001,452..
2. Shares' issue price. The issue price (nominal and premium) of each new share will be €9.20.
3. Capital increase subscriber. The share capital increase will be addressed to Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**"), a Spanish existing company with its registered office in Madrid, calle Rosario Pino 14-16, 28020, with Spanish tax identification number A-78107125, registered with the Commercial Registry of Madrid at volume 797 (general), 772 of section 3 of the Companies Record, sheet 13, page 68,078, record 1, which has previously shown and confirmed its commitment to fully subscribe this share capital increase.
4. Rights attached to the new shares. The new shares, represented In book-entry form, will grant to their holders the same voting and economic rights as the Company's ordinary shares currently outstanding, from the date on which they are registered at their name in the relevant registries. the admission to trading of the new shares will not require any approval or registry of an informative prospectus by the CNMV.
5. Date and conditions. The Board of Directors is authorized to determine the date on which this agreement will be carried out, within a maximum term of one year since the approval of this resolution by the General Meeting, and to set out all terms and conditions of the share capital increase that are not resolved by the General Meeting, in accordance with article 297.1.a) of the Companies Law.
6. Pre-emptive rights' exclusion. To exclude in full the Company's shareholders pre-emptive rights in relation to this share capital increase, pursuant to the reasons described in section 3 of this report.
7. Admission to trading. To apply for the admission to trading of the Company's ordinary shares to be issued pursuant to this resolution on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, as well as any other national or foreign markets in which the Company's shares are admitted to trading. For such purposes, the Company may make use of the exemption of publishing an informative prospectus in accordance with article 26.1.a) of Royal Decree 1310/2005 of 4 November.
8. Subscription and disbursement. The share capital increase shall be fully subscribed and paid up in cash in the time and manner determined by the persons so empowered pursuant to this resolution.
9. Incomplete subscription. The Board of Directors may resolve an incomplete subscription of the share capital increase and declare the share capital increased in the amount effectively subscribed in accordance with article 311 of the Spanish Companies Act.
10. Bylaws' amendment. The Capital Increase will involve the amendment of article 5 of Lar España's bylaws, which following completion of the Capital Increase, will be as follows:

**"Article 5.-**

*The share capital amounts to ONE HUNDRED AND EIGHTY-FIVE MILLION TWO HUNDRED AND FORTY-EIGHT THOUSANDS ONE HUNDRED AND NINETY-FOUR EUROS (€185,248,194). It is divided into NINETY-TWO MILLION SIX HUNDRED AND TWENTY-FOUR THOUSAND AND NINETY-SEVEN (92,624,097) NOMINATIVE SHARES with a face value of TWO EUROS (2 €) each, of the same class and series. All the shares are fully subscribed and paid up and grant their holders the same rights."*



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Notwithstanding the above, if the Company's share capital varies from the date of issuance of such report and the date on which the relevant capital increase is implemented, due to any capital increase or increase of the number of Company shares approved by the General Shareholders' Meeting, the relevant article will be drafted accordingly.

11. Delegation of powers. It is proposed to authorise the Board of Directors, pursuant to the provisions of article 297.1.a) of the Companies Law, de la Ley de Sociedades de Capital, with express substitution faculties in all of its members, so that any of them, individually, may implement this resolution and set out all the conditions not resolved by this General Meeting of the Company.

### **3. REPORT SUBMITTED BY THE BOARD OF DIRECTORS PURSUANT TO ARTICLES 308 AND 504 OF THE COMPANIES LAW**

The proposed share capital increase includes the proposal to exclude the Company's shareholders' pre-emption rights, pursuant to articles 308 and 504 of the Companies Law. Such exclusion is necessary to address the share Capital Increase to Grupo Lar in the terms set out herein.

In accordance with applicable law for the exclusion of pre-emption rights in the context of an issue of new shares, the company's directors shall submit a report explaining the proposal in detail, specifying the companies' shares value and the consideration for the new shares, and indicating the persons to whom allocate the new shares.

Compliance with legal requirements to implement a share capital increase as proposed herein is analyzed in two sections below: section one describes the rationale from a corporate interest standpoint of the Capital Increase and exclusion of pre-emption rights is explained, and section two justifies compliance with the legal requirement that the shares' issue price is equivalent to the shares' reasonable value.

#### **1. Rationale from a corporate interest standpoint**

The Board of Directors understands that the Capital Increase and the exclusion of pre-emption rights are fully in accordance with substantial requirements set out in the Companies Law and, especially, in relation to the requirement that the exclusion is demanded by the Company's corporate interest. The reasons for the above are that (a) it enables to implement a transaction that is appropriate from a corporate interest standpoint; (b) the procedure selected is suitable to that end; and (c) the objective and the means are proportional, as detailed below.

As stated above, the Capital Increase will allow the Company to remunerate services rendered to Lar España by the Management Company during 2016 in the terms set out in the IMA. As a result, it will enable the Company to comply with its contractual obligations.

The Board of Directors considers that the Capital Increase, with the necessary exclusion of pre-emption rights, constitutes the suitable procedure to satisfy such contractual obligation, as it the sole legal structure that allows to directly allocate the new shares to Grupo Lar in consideration for the services rendered pursuant to the IMA.

Finally, the Board of Directors considers that the exclusion observes the due proportion between the advantages for the Company and the potential disadvantages that the exclusion may cause to shareholders that would be affected by the dilution arising from any capital increase excluding pre-emption rights. Moreover, economic dilution is excluded given the new shares will be issued at their fair value.





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In light of the above, the Board of Directors of Lar España understands that the Capital Increase is in the Company's best interest. Consequently and given that the structure and features of the proposed transaction make it impossible to grant shareholders pre-emption rights, the proposal of Capital Increase includes the proposal to exclude pre-emption rights, as it is understood that it is so required in the Company's best interest.

## 2. Issuance at fair value

Article 308.2.c) of the Companies Law requires that the new shares' face value together with, if applicable, the share premium be equivalent to the shares' value resulting from the report issued by an independent expert appointed by the Commercial Registry for these purposes.

In addition, article 504 of the Companies Law sets out that, for listed companies, fair value shall be deemed to be market value, which, unless otherwise evidenced, shall be deemed to be the securities exchange listing.

Furthermore, the Company and Grupo Lar have agreed that, in connection with this capital increase, the shares to be issued in consideration for the Performance Fee for services rendered in 2016 will be subscribed, exceptionally for this year, at the unitary price resulting from the last Company's net asset value or EPRA NAV published (€9.20 per share), instead of using the price resulting from the process to calculate the number of shares to be issued set out in clause 7.2 of the IMA, which is related with the market price of the shares (currently below EPRA NAV).

Accordingly, the number of shares to be issued by the Company for their subscription by Grupo Lar as its Performance Fee will be reduced by approximately 24%. Through this resolution, Grupo Lar intends to (i) reaffirm its long-term commitment and alignment with the Company and its shareholders, and (ii) inform the market of its conviction regarding the reliability of the Company's EPRA NAV as the most adequate measure to reflect the Company's value.

In any event, as mentioned at the beginning of this section, pursuant to the provisions of article 308.2.a) of the Companies Law, the shares' issue price must correspond to the "fair value contained in the independent expert's report". Therefore, an auditor other than the Company's auditor appointed by the Commercial Registry of Madrid for that purposes, will issue, before convening the General Meeting to which the Capital Increase will be proposed, the relevant report on the fair value of the Company's shares, on the theoretical value of the pre-emptive rights being excluded and on the reasonableness of data contained in this report.

## 4. RESOLUTION PROPOSAL

### ITEM TWELVE ON THE AGENDA

**Share capital increase in the nominal amount of €4,167,070 for the issuance of shares to be subscribed by the Investment Manager as performance fee pursuant to the provisions of the Investment Manager Agreement, excluding pre-emption rights and authorising the Board of Directors to carry out the resolution.**

### RESOLUTION

*To increase Lar España's share capital in the nominal amount of €4,167,070, through the issuance of 2,083,535 ordinary shares of the Company, with a face value of €2 per share, represented in book-entry form, and with an aggregate share premium of €15,001,452.*



1. Shares' issue price. The issue price (nominal and premium) of each new share will be €9.20.
2. Capital increase subscriber. The share capital increase will be addressed to Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**"), a Spanish existing company with its registered office in Madrid, calle Rosario Pino 14-16, 28020, with Spanish tax identification number A-78107125, registered with the Commercial Registry of Madrid at volume 797 (general), 772 of section 3 of the Companies Record, sheet 13, page 68,078, record 1, which has previously shown and confirmed its commitment to fully subscribe this share capital increase.
3. Rights attached to the new shares. The new shares, represented in book-entry form, will grant to their holders the same voting and economic rights as the Company's ordinary shares currently outstanding, from the date on which they are registered at their name in the relevant registries. The admission to trading of the new shares will not require any approval or registry of an informative prospectus by the CNMV.
4. Date and conditions. The Board of Directors is authorized to determine the date on which this agreement will be carried out, within a maximum term of one year since the approval of this resolution by the General Meeting, and to set out all terms and conditions of the share capital increase that are not resolved by the General Meeting, in accordance with article 297.1.a) of the Spanish Companies Act.
5. Pre-emptive rights exclusion. To exclude in full the Company's shareholders pre-emptive rights in relation to this share capital increase, pursuant to the reasons described in the Board report issued on 21 March 2017 with the aim to preserve the Company's best interest.
6. Admission to trading. To apply for the admission to trading of the Company's ordinary shares to be issued pursuant to this resolution on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, as well as any other national or foreign markets in which the Company's shares are admitted to trading. For such purposes, the Company may make use of the exemption of publishing an informative prospectus in accordance with article 26.1.a) of Royal Decree 1310/2005 of 4 November.
7. Subscription and disbursement. The share capital increase shall be fully subscribed and paid up in cash in the time and manner determined by the persons so empowered pursuant to this resolution.
8. Incomplete subscription. The Board of Directors may resolve an incomplete subscription of the share capital increase and declare the share capital increased in the amount effectively subscribed in accordance with article 311 of the Spanish Companies Act.
9. Delegation of powers. Pursuant to the provisions of article 297.1.a) of the Spanish Companies Act, to authorize the Board of Directors, with express substitution faculties in all of its members, so that any of them, individually, may implement this resolution and set out all the conditions not resolved by this General Meeting of the Company and, in particular, without limitation, may:
  - (i) Notify Grupo Lar of the approval of this resolution, establish the date on which the capital increase will be implemented and request that Grupo Lar pays up the shares.
  - (ii) Declare the share capital increase completed once the new shares have been subscribed and paid up by Grupo Lar, either fully or not, granting any appropriate public or private companies for the share capital increase to be completed, and declare the Company By-laws amended in the terms set out in section 2 of the Board's report issued in relation to the capital increase; or, if the Company's share capital varies from the date of issuance of such report and the date on which the relevant capital increase is implemented, due to any capital increase or increase of the number of Company shares approved by the General Shareholders' Meeting, adjust the share capital figure and the number of shares to be issued and amend the Bylaws' article relating to the Company's share capital accordingly.





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- (iii) Appear before a notary public and grant the relevant share capital increase public deed, apply for its registry with the Commercial Registry and make any mandatory announcements of the issuance, as well as grant any necessary documents, either public or private, to declare completion of the capital increase's subscription.*
- (iv) Apply for the admission to trading of the Company's ordinary shares to be issued on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, as well as any other national or foreign markets in which the Company's shares are admitted to trading.*
- (v) Draft, subscribe and file with the CNMV or any competent supervisors any necessary documents in relation to the issuance and admission to trading of the new shares and, in particular, any documents or information that are required pursuant to the provisions of the Spanish Securities Act and Royal Decree 1310/2005 of 4 November (as amended by Royal Decree 1698/2012, of 21 December), concerning the admission to trading of securities on the official secondary markets, public offerings and the prospectus required for these purposes, to the extent applicable; moreover, carry out on behalf of the Company any acts, statements or steps that may be required before the CNMV, Iberclear, the Stock Exchanges governing bodies and any other organism or entity or registry, either public or private, domestic or foreign, and take any necessary steps for the new ordinary shares to be recorded in Iberclear's registries and admitted to listing on the Stock Exchanges where the Company's shares currently outstanding trade and the Automated Quotation System (Sistema de Interconexión Bursátil or SIBE).*
- (vi) Amend, clarify, construe, specify or complement any resolutions adopted by the General Meeting, or in any public deeds or documents granted to implement such resolutions, and in particular any errors or omissions, of form or substance, that may hinder the registry of the resolutions with the Commercial Registry, the CNMV's Official Records or any other registries.*
- (vii) Grant on behalf of the Company any necessary or appropriate documents, either public or private, to complete the share capital increase hereby approved and, in general, carry out any necessary acts for the implementation of this resolution and the issue of the shares.*