



## NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 227 of the Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act, 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

Lar España informs that the Board of Directors of the Company resolved to call the ordinary general shareholders' meeting, which will be held in Madrid, at Príncipe de Vergara 187, Plaza de Rodrigo Uría, on 24 April 2019, at 12:00 on first call, or, if the required quorum is not met, on second call, on 25 April 2019, at the same place and time. It is expected that the ordinary general shareholders' meeting will be held on second call, on 25 April 2019.

For the purposes of the above paragraph, the following documents are attached to this material fact: complete text of the shareholders' meeting call and agenda published today in "El Economista" newspaper, resolution proposals and reports on the items of the agenda that require it.

Madrid, on 22 March 2019.

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.**

### **2019 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, at Príncipe de Vergara 187, Plaza de Rodrigo Uría, on 24 April 2019, at 12:00 on first call, or, if the required quorum is not met, on second call, on 25 April 2019, 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 25 April 2019, 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 Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

#### **AGENDA**

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

- One.-** Approval, if appropriate, of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for financial year 2018.
- Two.-** Approval, if appropriate, of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2018.
- Three.-** Approval, if appropriate, of the Board of Directors' management and activities during financial year 2018.

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

- Four.-** Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for financial year 2018.

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

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

##### **IV. Board of Directors:**

- Six.-** Ratification of the appointment and re-election, if appropriate, of Ms Leticia Iglesias Herraiz as independent director of the Company, for the statutory period of three years.

##### **V. Investment Manager Performance fee:**

- Seven.-** Share capital increase in the nominal amount of €1,242,674 for the issuance of shares to be subscribed by the Investment Manager as performance fee pursuant to the



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provisions of the Investment Manager Agreement, excluding pre-emption rights and authorising the Board of Directors to implement the resolution.

## **VI. General matters:**

**Eight.-** 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.

## **VII. Consultative votes:**

**Nine.-** Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2018.

## **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 19 or 20 April 2019, 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 23 April 2019.

## **AVAILABLE INFORMATION AND DOCUMENTATION**

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 Spanish 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 2018.

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, their



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committees and the independent expert that, where appropriate, are required by Law; (4) in relation to the director whose ratification and re-election is proposed to the General Meeting, her background and professional experience; directorships held in other relevant companies, either listed or not; the director's class to which she belongs; the date of its first appointment as a Company director; 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 2018 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 2018; (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 2018; (8) the annual corporate governance report for financial year 2018; (9) the annual director remuneration report for financial year 2018; (10) the report prepared by the Audit and Control Committee of the Company on its functions during the financial year 2018; (11) the annual report prepared by the Appointments and Remunerations Committee regarding financial year 2018; (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 2018, of the proposed resolutions, of the mandatory director reports, and of the other documents 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 27 March 2019, 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



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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 provided by shareholders to the Company for the exercise of their voting, attendance or delegation rights at the General Shareholders Meeting or which are provided by the banks and stock agencies and companies in which the shares of the shareholders are deposited, through the entity responsible to keep the register of book entries, shall be processed by the Company, in its capacity as data controller, for the purposes of managing the development, fulfilment and control of the current relationships with shareholders, regarding the convening and holding of the General Meeting, as well as in order to comply with legal obligations. The data may be communicated to the Notary attending who will draw up the minutes of the General Meeting. The processing of data is necessary for the purposes indicated and its legal basis is your relationship as a shareholder as well as to comply with legal obligations. The data shall be kept for the duration of such relationship and, thereafter, for a period of six (6) years only in order to be able to deal with any legal or contractual actions, unless, exceptionally, a longer limitation period would apply.

In case the attendance or delegation card includes personal data referring to third parties, the shareholder must inform them of the points indicated herein in relation to the processing of personal data and comply with any other requirements which may be applicable for the proper assignment of personal data to the Company, without the Company having to take any additional action vis-à-vis the interested parties.

Registered Users may exercise their rights of access, correction, opposition, suppression, limitation of processing and portability, as well as any other rights recognized by current legislation on data protection, by sending a letter with the reference "Data Protection" (attaching a photocopy of the ID or identification document) in which your request is specified, addressed to the Company's data protection delegate, through the e-mail address, [dpd@grupolar.com](mailto:dpd@grupolar.com), or at the postal address Lar España Real Estate SOCIMI, S.A., C/ Rosario Pino 14-16, 8th floor, CP 28020 Madrid, Spain. Registered Users may also file complaints with the competent data protection control authority.

In Madrid, on 22 March 2019

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. 2019**

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

**Approval, if appropriate, of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for financial year 2018**

### **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 2018, which were finalised by the Board of Directors at its meeting held on 26 February 2019.



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## **ITEM TWO ON THE AGENDA**

### **Approval, if appropriate, of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2018**

#### **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 2018, which were finalised by the Board of Directors at its meeting held on 26 February 2019.



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

### **Approval, if appropriate, of the Board of Directors' management and activities during financial year 2018**

### **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 2018.





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**ITEM FOUR ON THE AGENDA**

**Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for financial year 2018**

**RESOLUTION**

To approve the proposed allocation of profits and distribution of dividends prepared by the Board of Directors at its meeting held on 26 February 2019, which is described below:

To distribute, with a charge to the results for the financial year ended on 31 December 2018, a gross dividend of 0.73 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 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 2018: .....EUR 76,082 thousand

**DISTRIBUTION:**

To legal reserve (minimum amount): .....EUR 7,608 thousand

To voluntary reserve.....EUR 121 thousand

To dividends (maximum amount to distribute corresponding to a fixed dividend of 0.73 euro (gross) per share):.....EUR 68,353 thousand

**TOTAL:** .....EUR 76,082 thousand

Additionally, the General Shareholders Meeting approves the distribution of share premium for a total amount of 6,647 thousand euros (0.07 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 year starting on 1 January 2019. 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**

### **Ratification of the appointment and re-election, if appropriate, of Ms Leticia Iglesias Herraiz as independent director of the Company, for the statutory period of three years.**

#### **RESOLUTION**

Ratify the resolution adopted by the Board of Directors at its meeting held on 16 October 2018, appointing Ms. Leticia Iglesias Herraiz, of legal age, of Spanish nationality and Spanish identification number (DNI) 05266631E, in force, with professional address for these purposes at Rosario Pino 14-16, 8º Planta, Madrid, as a member of the Board, under the category of “independent directors”, by the co-option system to replace the vacancy arising from the resignation of Mr. Pedro Luis Uriarte Santamarina; and reappoint her as an independent director of the Company for the statutory period of three years starting from the date of this General Shareholders Meeting.

The proposed re-election is accompanied by a supporting report from the Board, evaluating the competence, experience and merits of Ms. Leticia Iglesias Herraiz, as well as the corresponding report from the Appointments and Remunerations Committee. These reports have been made available to the shareholders as from the publication of the notice of the General Shareholders Meeting.

Ms. Leticia Iglesias Herraiz will accept her appointment by any means valid under the Law.



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## **ITEM SEVEN ON THE AGENDA**

### **Share capital increase in the nominal amount of €1,242,674 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 €1,242,674, through the issuance of 621,337 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 €5,181,950.58.

1. Shares' issue price. The issue price (nominal and premium) of each new share will be €10.34.
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, prior to this agreement, has 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 14 March 2019 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.

## **ITEM EIGHT ON THE AGENDA**

### **Delegation of powers to formalise 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.**

#### **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 NINE ON THE AGENDA**

### **Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2018**

#### **RESOLUTION**

To approve, on a consultative basis, the Annual Directors' Remuneration Report for financial year 2018, 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 SHARE CAPITAL INCREASE EXCLUDING PRE-EMPTION RIGHTS SET OUT IN ITEM SEVEN ON THE AGENDA FOR THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON APRIL 24 AND 25, 2019, 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 justify the proposal submitted for approval by the General Shareholders' Meeting of the Company called for April 24 and 25, 2019, on first and second call, respectively, under item seven of the agenda, relating to the share capital increase in the amount of €1,242,674, excluding pre-emption rights and authorizing 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 allow Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**" or the "**Management Company**") to use the amount satisfied by the Company as performance fee (the "**Performance Fee**") in consideration for the services rendered as manager of the Company in order to subscribe for shares of the Company, pursuant to clause 7.2 of the investment manager agreement initially executed between Lar España and Grupo Lar on 12 February 2014 and amended on 19 February 2018 (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 2018 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 €1,242,674, through the issuance of 621,337 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 €5,181,950.58.
2. Shares' issue price. The issue price (nominal and premium) of each new share will be €10.34.
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 SEVEN MILLION SIX HUNDRED AND EIGHTY THOUSAND SEVEN HUNDRED AND SIXTY TWO EUROS (€187,680,762). It is divided into NINETY THREE MILLION EIGHT HUNDRED AND FORTY THOUSAND THREE HUNDRED AND EIGHTY ONE (93,840,381) 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."*



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

Notwithstanding the above, if the Company's share capital varies from the date of issuance of this report and the date on which the 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 authorize the Board of Directors, pursuant to the provisions of article 297.1.a) of the Companies Law, 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 2018 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.



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

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.

In accordance with the calculation method set in clause 7.2 of the IMA following the novation thereof signed by the parties on 19 February 2018, the new shares will be subscribed at a price per share of 10.34 euros, which as of the date of this report is higher than the quoted price of the Company's shares.

Therefore, since the issue price (nominal value plus premium) of the Capital Increase subject of this report of 10.34 euros per share, the Board of Directors of Lar España considers that the issue type envisaged complies with the legal requirements described, as it is higher than the one corresponding by reference to the Company's stock exchange listing.

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". An auditor other than the Company's auditor appointed by the Commercial Registry of Madrid for that purposes –in this case, Grant Thornton, S.L.P. has been appointed–, shall issue 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. The referred report will be made available to the shareholders upon calling of the General Meeting as provided for under the Companies Law.

## 4. RESOLUTION PROPOSAL

### "ITEM SEVEN ON THE AGENDA

**Share capital increase in the nominal amount of €1,242,674 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 €1,242,674, through the issuance of 621,337 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 €5,181,950.58.*

1. Shares' issue price. *The issue price (nominal and premium) of each new share will be €10.34.*



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, prior to this agreement, has 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 14 March 2019 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."*



INFORME ESPECIAL SOBRE EXCLUSIÓN DEL DERECHO DE  
SUSCRIPCIÓN PREFERENTE EN EL SUPUESTO DE LOS  
ARTÍCULOS 308 Y 504 DEL TEXTO REFUNDIDO DE LA LEY DE  
SOCIEDADES DE CAPITAL

20 de marzo de 2019

## INFORME ESPECIAL SOBRE EXCLUSIÓN DEL DERECHO DE SUSCRIPCIÓN PREFERENTE EN EL SUPUESTO DE LOS ARTÍCULOS 308 Y 504 DEL TEXTO REFUNDIDO DE LA LEY DE SOCIEDADES DE CAPITAL

A los accionistas de Lar España Real Estate SOCIMI, S.A.:

A los fines previstos en el artículo 308 de la Ley de Sociedades de Capital, cuyo texto refundido fue aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio (la “Ley de Sociedades de Capital”), y de acuerdo con el encargo recibido de Lar España Real Estate SOCIMI, S.A. (“Lar España” o la “Sociedad”) por designación del Registro Mercantil de Madrid de 31 de enero de 2019, emitimos el presente informe especial sobre el aumento de capital social en Lar España (el “Aumento de Capital”), por un importe nominal de 1.242.674 euros, mediante la emisión y puesta en circulación de un total de 621.337 nuevas acciones ordinarias de 2 euros de valor nominal cada una de ellas, representadas mediante anotaciones en cuenta, acompañado del Informe del Consejo de Administración de la Sociedad formulado el 14 de marzo de 2019 que se incluye como Anexo I (el “Informe”). Las nuevas acciones serán emitidas con una prima de emisión de 8,34 euros por acción y, en consecuencia, la prima de emisión correspondiente a la totalidad de las nuevas acciones ascenderá a 5.181.950,58 euros. El importe total del valor nominal y la prima de emisión correspondiente a las nuevas acciones que, en su conjunto, ascenderá a 6.424.624,58 euros, deberá ser desembolsado íntegramente mediante aportaciones dinerarias en el tiempo y forma que determinen las personas facultadas o apoderadas al efecto en virtud del acuerdo del Consejo de Administración. El Consejo de Administración podrá acordar la suscripción incompleta del aumento de capital y declarar aumentado el mismo en la cuantía efectivamente suscrita de conformidad con lo dispuesto en el artículo 311 de la Ley de Sociedades de Capital. La suscripción y desembolso de la ampliación de capital se realiza con exclusión del derecho de suscripción preferente. Este informe especial preparado por nosotros junto con el Informe mencionado, serán puestos a disposición de los accionistas y comunicados en la primera Junta General de Accionistas de la Sociedad que se celebre tras el acuerdo de ampliación de capital.

El aumento de capital se dirigirá a Grupo Lar Inversiones Inmobiliarias, S.A. (en adelante, “Grupo Lar” o la “Sociedad Gestora”) y tiene por objeto satisfacer la retribución a la Sociedad Gestora por los servicios prestados a Lar España durante el ejercicio 2018, en virtud de la Cláusula 7.2 del Investment Manager Agreement (IMA) firmado entre Lar España y Grupo Lar el 12 de febrero de 2014 y novado el 19 de febrero de 2018. Las nuevas acciones atribuirán a su titular los mismos derechos políticos y económicos que las acciones actualmente en circulación. La suscripción y desembolso de las acciones está condicionada a que previamente se haya obtenido este preceptivo informe del experto independiente designado por el Registro Mercantil.

Se propone facultar al Consejo de Administración al amparo de lo previsto en el artículo 297.1.a) de la Ley de Sociedades de Capital, con expresas facultades de sustitución en todos sus miembros, para que cualquiera de ellos, indistinta e individualmente, pueda ejecutar el presente acuerdo y determinar las condiciones del mismo no acordadas por la presente Junta General de la Sociedad.

El Consejo de Administración de la Sociedad ha elaborado el Informe adjunto incluido como Anexo I en el que se justifica detalladamente la propuesta y el tipo de emisión de las acciones, con indicación de las personas a las que éstas habrán de atribuirse, así como la naturaleza de las aportaciones. La legislación requiere que esta emisión de acciones se realice a su valor razonable. En una valoración de acciones sólo puede hablarse de aproximaciones o juicios estimativos sobre el valor razonable, que puede depender en alto grado de evaluaciones subjetivas sobre aspectos muy variados del negocio.

De acuerdo con lo indicado en el Informe adjunto, el Consejo de Administración de Lar España estima que el Aumento de Capital está plenamente justificado por razones de interés social y, en consecuencia, en beneficio de la Sociedad y de sus accionistas, puesto que va a permitir la retribución a la Sociedad Gestora por los servicios prestados a Lar España durante el ejercicio 2018 en los términos acordados en el IMA permitiendo, por tanto, a la Sociedad cumplir con sus obligaciones contractuales. El Consejo de Administración considera además que constituye el procedimiento idóneo para satisfacer la obligación contractual, porque es la única estructura jurídica que permite atribuir directamente a Grupo Lar las acciones que le corresponden por la prestación de sus servicios de acuerdo con el IMA.

Nuestra responsabilidad es emitir un juicio profesional, como expertos independientes, sobre el valor razonable de las acciones de la Sociedad, sobre el valor teórico de los derechos de suscripción preferente cuyo ejercicio se suprime y sobre la razonabilidad de los datos contenidos en el informe del Consejo de Administración. Nuestro trabajo ha sido realizado de acuerdo con la norma técnica sobre elaboración del informe especial sobre exclusión de derecho de suscripción preferente en el supuesto de los artículos 308 y 504 del Texto Refundido de la Ley de Sociedades de Capital, aprobada mediante resolución del Instituto de Contabilidad y Auditoría de Cuentas del 16 de junio de 2004 (en adelante, la “Norma Técnica”).

La información contable utilizada en el presente trabajo ha sido obtenida de las cuentas anuales consolidadas de Lar España Real Estate SOCIMI, S.A. y Sociedades Dependientes (“el Grupo”), correspondientes al ejercicio anual terminado el 31 de diciembre de 2018, las cuales fueron auditadas por Deloitte, S.L., quien con fecha 26 de febrero de 2019 emitió su informe de auditoría sobre las mencionadas cuentas anuales consolidadas en el que expresaron una opinión sin salvedades.

De acuerdo con la citada norma técnica sobre elaboración de este informe especial, nuestro trabajo ha consistido en la aplicación de los siguientes procedimientos:

- a) Obtención del informe de auditoría referido a las cuentas anuales consolidadas de Lar España Real Estate SOCIMI, S.A. y Sociedades Dependientes correspondiente al ejercicio anual terminado el 31 de diciembre de 2018.



- b) Solicitud de una confirmación del auditor de cuentas del Grupo acerca de si, como consecuencia de su función como tal, hubiera tenido conocimiento con posterioridad a la emisión de su último informe de auditoría de algún hecho o factor que pudiera afectar de forma significativa a la situación económico- patrimonial de la Sociedad o del Grupo.
- c) Revisión de los hechos relevantes publicados en la CNMV así como de las actas emitidas desde la fecha de emisión del informe de auditoría de cuentas anuales consolidadas y la fecha de emisión de nuestro informe.
- d) Formulación de preguntas a la Dirección de la Sociedad sobre los hechos de importancia que pudieran afectar de forma significativa al valor de Lar España o del Grupo y, en su caso, verificación de los mismos.
- e) Estudio de la evolución del valor de cotización de las acciones de la Sociedad y determinación del valor de cotización medio de dichas acciones durante el último período de cotización representativo anterior a la fecha del informe especial (el último trimestre) comprendido entre los días 20 de diciembre de 2018 y 19 de marzo de 2019, ambos inclusive, así como determinación de la cotización al 19 de marzo de 2019, correspondiente a la última cotización disponible anterior a la fecha de emisión de este informe especial, como valores indicativos del valor razonable de la Sociedad. Esta determinación se ha realizado a partir de una certificación de la Sociedad Rectora de la Bolsa de Valores de Madrid, S.A. cuya copia se adjunta como anexo II al presente informe especial, expedida el 20 de marzo de 2019, que incluye, además de los indicados valores de cotización la frecuencia y volumen de cotización de los períodos objeto de análisis.
- f) Constatación de si el valor de emisión por acción fijado por los miembros del Consejo de Administración es superior o inferior al valor neto patrimonial por acción que resulta de las últimas cuentas anuales consolidadas auditadas de Grupo Consolidado Lar España Real Estate SOCIMI, S.A., correspondientes al ejercicio anual terminado el 31 de diciembre de 2018 y comunicadas a la Comisión Nacional del Mercado de Valores.
- g) Estimación del valor razonable de las acciones de Lar España Real Estate SOCIMI, S.A. y verificación de si el tipo de emisión fijado por los Administradores puede ser indicativo del valor razonable de las acciones de la Sociedad que se desprende de la información obtenida en los puntos anteriores.
- h) Consideración de los informes de peritación de activos que hubieran sido realizados por expertos independientes.
- i) Evaluación de la razonabilidad de los datos contenidos en el informe elaborado por los Administradores que justifica la propuesta y el tipo de emisión de las acciones, incluyendo la revisión de la documentación que justifica la metodología de valoración y las bases de cálculo.

- j) Determinación del valor teórico de los derechos de suscripción preferente cuyo ejercicio se propone suprimir, calculado con referencia, tanto al valor de cotización de cierre del día 19 de marzo de 2019, como de la media simple de los precios medios ponderados de cotización bursátil de la acción de la Sociedad durante el periodo comprendido entre el 20 de diciembre de 2018 y 19 de marzo de 2019, ambos inclusive, y al valor teórico contable del Grupo Consolidado Lar España Real Estate SOCIMI, S.A. al 31 de diciembre de 2018.
- k) Obtención y revisión de la Cláusula 7.2 del IMA que tiene por objeto regular el pago de las comisiones de rendimiento o *performance fee* a Grupo Lar por los servicios prestados en su condición de sociedad gestora de Lar España.
- l) Obtención de una carta de manifestaciones suscrita por Administradores de la Sociedad, con poder suficiente de representación, en la que nos comunican que han puesto en nuestro conocimiento todas las hipótesis, datos e informaciones relevantes.

Teniendo en cuenta todo lo indicado anteriormente, en nuestro juicio profesional como expertos independientes:

- Los datos contenidos en el informe del Consejo de Administración de la Sociedad para justificar su propuesta respecto a la exclusión del derecho de suscripción preferente de los accionistas conforme a los artículos 308 y 504 de la Ley de Sociedades de Capital, son razonables por estar adecuadamente documentados y expuestos.
- En el caso de una sociedad cotizada, el valor razonable se entiende como el valor de mercado y éste se presume, salvo que se justifique lo contrario, referido a su cotización bursátil. La cotización por acción, según lo publicado por la Sociedad Rectora de Valores de Madrid, S.A. ha sido la siguiente:

Periodo de cotización	Euros/Acción
Cotización al cierre del 19 de marzo de 2019	7,75
Cambio medio simple de los cambios medios ponderados diarios del periodo comprendido entre el 20 de diciembre y el 19 de marzo de 2019	7,8999

El valor neto patrimonial, calculado de acuerdo con el patrimonio neto consolidado del Grupo, según se desprende de las cuentas anuales consolidadas del ejercicio anual terminado el 31 de diciembre de 2018 auditadas por Deloitte, S.L., asciende a 10,84<sup>(1)</sup> euros por acción. Por tanto, el valor de emisión es inferior al valor neto patrimonial consolidado de las acciones de la Sociedad y superior a cualquiera de los valores que pueden considerarse indicativos del valor razonable de la acción de la Sociedad en base a los procedimientos aplicados anteriormente mencionados. En las cuentas anuales del ejercicio 2018 el Consejo de Administración propone la distribución de un dividendo por importe de 75 millones de euros (0,80 euros por acción) con cargo al resultado de dicho ejercicio. ¿Se debería especificar cuanto es dividendo y cuanto con cargo a prima de emisión?

En relación con el valor teórico de los derechos de suscripción preferente cuyo ejercicio se propone suprimir respecto al tipo de emisión, éstos resultan positivos sobre el valor teórico contable al 31 de diciembre de 2018, y negativos sobre el valor de cotización del último trimestre es decir, el tipo de emisión fijado no produce efecto dilución teórico sobre el valor de cotización por acción del periodo comprendido entre el 20 de diciembre de 2018 y el 19 de marzo de 2019 y sí produce efecto dilución teórico sobre el valor teórico contable auditado al 31 de diciembre de 2018.

A continuación presentamos el valor teórico de los derechos de suscripción preferente cuyo ejercicio se propone suprimir expresado en euros por acción, respecto a la cotización por acción a 19 de marzo de 2019, con respecto a la cotización media simple del precio medio ponderado diario del periodo comprendido entre los días 20 de diciembre de 2018 y 19 de marzo de 2019, ambos inclusive, y con respecto al valor teórico contable de Grupo Consolidado Lar España Real Estate SOCIMI, S.A., que se desprende de las cuentas anuales consolidadas auditadas para el ejercicio anual terminado el 31 de diciembre de 2018. La dilución por acción en circulación, expresada en euros por acción, es la siguiente:

	Efecto dilución (Euros)
Sobre el valor de cotización:	
• Trimestre finalizado el 19 de marzo de 2019	-0,0162
• 19 de marzo de 2019	-0,0172
Sobre el valor neto patrimonial auditado al 31 de diciembre de 2018	0,0033

A efectos informativos, en la determinación del valor teórico de los derechos de suscripción preferente, se ha utilizado la siguiente fórmula:

$$D_s = \frac{A-C}{R+1}$$

<sup>1</sup> El valor neto patrimonial por acción se ha calculado como el patrimonio neto según se desprende de las cuentas anuales consolidadas del ejercicio terminado el 31 de diciembre de 2018 (1.008.498 miles de euros) dividido por el número de acciones (93.054.119 acciones), exceptuando las acciones propias.

Donde:

Ds= Valor teórico por acción del derecho de suscripción.

A= Valor de cotización del día anterior a la emisión/media simple del precio medio ponderado diario del trimestre anterior al del acuerdo/valor teórico contable por acción a 31 de diciembre de 2018 (deducido el valor de las acciones propias).

C= Valor de emisión fijado por el Consejo de Administración.

R= Proporción de acciones antiguas con respecto a las nuevas, es decir, número de acciones antiguas en circulación (excluidas las acciones propias), dividido por el número de acciones nuevas a emitir.

Este Informe Especial ha sido preparado únicamente a los fines previstos en el artículo 308 y 504 del Texto Refundido de la Ley de Sociedades de Capital, por lo que no debe ser utilizado para ninguna otra finalidad.

El alcance de nuestro trabajo ha quedado circunscrito a la realización de los procedimientos detallados en este Informe.

Grant Thornton, S.L.P., Sociedad Unipersonal



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María José Lázaro Serrano

20 de marzo de 2019

## Anexo I

Dña. Susana Guerrero Trevijano, como Vicesecretaria no miembro del Consejo de Administración de Lar España Real Estate SOCIMI, S.A. (en adelante, la “*Sociedad*”), con domicilio en la calle Rosario Pino, 14-16, 28020 Madrid, por la presente

### CERTIFICA

- I. Que el día 14 de marzo de 2019, en el domicilio social, se reunió el Consejo de Administración de la Sociedad, previa convocatoria dirigida por el Sr. Secretario, siguiendo instrucciones del Sr. Presidente, individualmente a cada uno de los consejeros mediante correo electrónico de fecha 6 de marzo de 2019, con el siguiente contenido:

*“Dear All,*

*Following instructions from the Chairman Mr. José Luis del Valle, I confirm that a meeting of the Board of Directors of Lar España Real Estate SOCIMI, S.A., will be held at the corporate domicile of the Company (C/ Rosario Pino 14-16, 8th floor, 28020 Madrid) commencing at **16:00 hours** (Madrid time) on **14 MARCH 2019**, to debate and decide on the following items:*

- 1. Information on the committees’ meetings held before this BoD*
- 2. Call of the General Shareholders’ Meeting (GSM) and approval of the relevant documentation for the GSM*
- 3. BP*
- 4. H2O Investment proposal*
- 5. AOB*

*Supporting documentation will be available at Diligent site shortly.*

*Kind regards,*

*Juan”.*

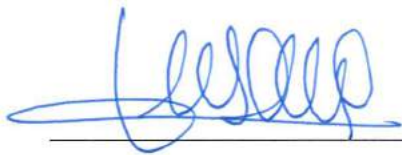


- II. Que asistieron a la reunión todos los miembros del Consejo de Administración, formándose la correspondiente lista de asistentes, conforme a lo previsto en el artículo 98 del Reglamento del Registro Mercantil.

- III. Que presidió la reunión el Presidente del Consejo de Administración, D. José Luis del Valle Doblado, y actuó como secretario de la sesión el Secretario no miembro del Consejo de Administración de la Sociedad D. Juan Gómez-Acebo.
- IV. Que, al tratar el segundo punto del Orden del Día, el Consejo de Administración aprobó, por unanimidad, entre otros, el Informe que se adjunta a la presente como **Anexo**, en relación con la propuesta de aumento de capital con exclusión del derecho de suscripción preferente a que se refiere el punto séptimo del Orden del Día de la Junta General Ordinaria convocada para los días 24 y 25 de abril de 2019 (en primera y segunda convocatoria respectivamente), dándole el Consejo de Administración carácter ejecutivo al acuerdo, pero estando pendiente de firma, por razón de la fecha, tanto el acta como el propio informe que va anexo.

Y para que así conste, expido la presente certificación, en Madrid, a 20 de marzo de 2019.

Fdo.



Dña. Susana Guerrero Trevijano

Vicesecretaria no miembro del Consejo  
de Administración

## **INFORME DEL CONSEJO DE ADMINISTRACIÓN DE LAR ESPAÑA REAL ESTATE SOCIMI, S.A. EN RELACIÓN CON LA PROPUESTA DE AUMENTO DE CAPITAL CON EXCLUSIÓN DEL DERECHO DE SUSCRIPCIÓN PREFERENTE A QUE SE REFIERE EL PUNTO SÉPTIMO DEL ORDEN DEL DÍA DE LA JUNTA GENERAL ORDINARIA CONVOCADA PARA LOS DÍAS 24 Y 25 DE ABRIL DE 2019, EN PRIMERA Y SEGUNDA CONVOCATORIA RESPECTIVAMENTE**

### **1. INTRODUCCIÓN**

Este informe se formula por el Consejo de Administración de Lar España Real Estate SOCIMI, S.A. (en adelante, la "**Sociedad**") de conformidad con lo previsto en los artículos 286, 296, 308 y 504 del texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio (la "**Ley de Sociedades de Capital**"), para justificar la propuesta que se somete a la aprobación de la Junta General de accionistas de la Sociedad convocada para su celebración los días 24 y 25 de abril de 2019, en primera y segunda convocatoria respectivamente, bajo el punto séptimo del orden del día, relativa al aumento de capital por importe nominal de 1.242.674 euros, con exclusión del derecho de suscripción preferente y delegación en el Consejo de Administración para la ejecución del acuerdo (el "**Aumento de Capital**").

El artículo 286 de la Ley de Sociedades de Capital exige, a los efectos de que una sociedad anónima pueda acordar un aumento de capital, que sus administradores redacten un informe escrito justificando la modificación de los estatutos sociales a que pueda dar lugar dicho aumento de capital.

Por su parte, los artículos 308 y 504 de la Ley de Sociedades de Capital exigen, a los efectos de excluir el derecho de suscripción preferente en el marco de un aumento de capital, que los administradores elaboren un informe en el que se justifique detalladamente la propuesta, se especifique el valor de las acciones de la Sociedad y la contraprestación a satisfacer por las nuevas acciones, y se indique las personas a las que hayan de atribuirse.

En virtud de lo anterior, este informe se formula en dos apartados:

- (i) el primero en relación con el aumento de capital social y consiguiente modificación estatutaria (en cumplimiento de lo previsto en los artículos 286 y 296 de la Ley de Sociedades de Capital), y
- (ii) el segundo relativo a la exclusión del derecho de suscripción preferente (en cumplimiento de los artículos 308 y 504 de la Ley de Sociedades de Capital).

### **2. INFORME DEL CONSEJO DE ADMINISTRACIÓN A LOS EFECTOS DE LOS ARTÍCULOS 286 Y 296 DE LA LEY DE SOCIEDADES DE CAPITAL**

El Aumento de Capital tiene como objetivo permitir que Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**" o la "**Sociedad Gestora**") pueda utilizar el importe satisfecho por la Sociedad en pago de las comisiones de rendimiento o "*Performance Fee*" (el "**Performance Fee**") por los servicios prestados en su condición de sociedad gestora para suscribir acciones de la Sociedad, todo ello en virtud de lo previsto en la cláusula 7.2 del contrato de gestión de inversiones inicialmente firmado entre Lar España y Grupo Lar el 12 de febrero de 2014 y novado el 19 de febrero de 2018 (el "**IMA**").





El Consejo de Administración entiende que este Aumento de Capital es particularmente conveniente desde el punto de vista del interés social, ya que va a permitir la retribución a la Sociedad Gestora por los servicios prestados a Lar España durante el ejercicio 2018 en los términos acordados en el IMA, permitiendo, por tanto, a la Sociedad cumplir con sus obligaciones contractuales.

A continuación se describen los términos y condiciones del Aumento de Capital que se propone a la Junta General de accionistas.

1. Importe del Aumento de Capital. El Aumento de Capital se acordará por importe nominal de 1.242.674 euros, mediante la emisión y puesta en circulación de un total de 621.337 acciones ordinarias de la Sociedad, de dos euros de valor nominal cada una, representadas mediante anotaciones en cuenta, con una prima de emisión total de 5.181.950,58 euros.

2. Tipo de emisión de las acciones. El tipo de emisión (nominal más prima de emisión) de cada nueva acción ascenderá a 10,34 euros por acción.

3. Destinatario del aumento. El Aumento de Capital se dirigirá al Grupo Lar Inversiones Inmobiliarias, S.A. ("**Grupo Lar**"), sociedad de nacionalidad española existente con domicilio social en Madrid, calle Rosario Pino 14-16, 28020, y con Número de Identificación Fiscal (N.I.F.) A-78107125, inscrita en el Registro Mercantil de Madrid al tomo 797 general, 772 de la sección 3ª del Libro de Sociedades, folio 13, hoja número 68.078, inscripción 1ª, quien con carácter previo ha manifestado y confirmado su compromiso de suscribir íntegramente la ampliación de capital objeto del presente informe.

4. Derechos de las nuevas acciones. Las nuevas acciones, representadas mediante anotaciones en cuenta, atribuirán a su titular los mismos derechos políticos y económicos que las acciones ordinarias de la Sociedad actualmente en circulación, a partir de la fecha en que queden inscritas a su nombre en los correspondientes registros contables. La admisión a negociación de las nuevas acciones no requerirá la aprobación ni el registro por la CNMV de un folleto informativo.

5. Fecha y condiciones. Corresponderá al Consejo de Administración determinar la fecha en la que el acuerdo deba llevarse a efecto dentro del plazo máximo de un año a contar desde su adopción por la Junta General y fijar los términos y condiciones del mismo en todo lo no previsto en el acuerdo de la Junta General, de conformidad con el artículo 297.1.a) de la Ley de Sociedades de Capital.

6. Exclusión del derecho de suscripción preferente. Se excluirá totalmente el derecho de suscripción preferente de los accionistas de la Sociedad en relación con este aumento de capital, según los motivos expuestos en el apartado 3 siguiente del presente informe.

7. Admisión a negociación de las acciones. Se solicitará la admisión a negociación de las acciones ordinarias que se emitan por la Sociedad como consecuencia de este aumento de capital en las Bolsas de Madrid, Barcelona, Bilbao y Valencia, así como en cualesquiera otros mercados nacionales o extranjeros en los que las acciones de la Sociedad estén admitidas a negociación, a cuyo efecto la Sociedad podrá acogerse a la excepción a la obligación de publicar un folleto informativo, de conformidad con el artículo 26.1.a) del Real Decreto 1310/2005, de 4 de noviembre.

8. Suscripción y desembolso. El aumento de capital deberá ser íntegramente suscrito y desembolsado mediante aportaciones dinerarias en el tiempo y forma que determinen las personas facultadas o apoderadas al efecto en virtud de este acuerdo.

9. Suscripción incompleta. El Consejo de Administración podrá acordar la suscripción incompleta del aumento de capital y declarar aumentado el mismo en la cuantía efectivamente suscrita de conformidad con lo dispuesto en el artículo 311 de la Ley de Sociedades de Capital.

10. Modificación de los estatutos sociales. El Aumento de Capital comportará la modificación del artículo 5 de los Estatutos Sociales de Lar España que, una vez ejecutado el aumento de capital, tendrá la siguiente redacción:

**"Artículo 5.-**

*El capital social es de CIENTO OCHENTA Y SIETE MILLONES SEISCIENTOS OCHENTA MIL SETECIENTOS SESENTA Y DOS EUROS (187.680.762 €). Está dividido en NOVENTA Y TRES MILLONES OCHOCIENTAS CUARENTA MIL TRESCIENTAS OCHENTA Y UNA (93.840.381) ACCIONES NOMINATIVAS, de DOS EUROS (2 €) EUROS de valor nominal cada una de ellas, pertenecientes a una única clase y serie. Todas las acciones se encuentran íntegramente suscritas y desembolsadas y otorgan a sus titulares los mismos derechos."*

Sin perjuicio de lo anterior, si entre la fecha de aprobación de este Informe y la fecha de ejecución del Aumento de Capital se produjeran modificaciones en la cifra del capital social de la Sociedad con motivo de algún aumento de capital o en el número de acciones en que se divide el capital social de la Sociedad con motivo de algún acuerdo de la Junta General de Accionistas, el artículo de capital social tendrá la redacción que corresponda teniendo en consideración dichas modificaciones.

11. Delegación de facultades. Se propone facultar al Consejo de Administración al amparo de lo previsto en el artículo 297.1.a) de la Ley de Sociedades de Capital, con expresas facultades de sustitución en todos sus miembros, para que cualquiera de ellos, indistinta e individualmente, pueda ejecutar el presente acuerdo y determinar las condiciones del mismo no acordadas por la presente Junta General de la Sociedad.

### **3. INFORME DEL CONSEJO DE ADMINISTRACIÓN A LOS EFECTOS DE LOS ARTÍCULOS 308 Y 504 DE LA LEY DE SOCIEDADES DE CAPITAL**

El aumento de capital que se propone adoptar incluye la propuesta de exclusión del derecho de suscripción preferente de los accionistas de la Sociedad, todo ello de conformidad con lo previsto en los artículos 308 y 504 de la Ley de Sociedades de Capital. Esa exclusión resulta necesaria para poder destinar el aumento de capital a Grupo Lar en los términos que constan en el presente informe.

De conformidad con el régimen legal aplicable para la exclusión del derecho de suscripción preferente en la emisión de nuevas acciones, procede la elaboración de un informe por los administradores de la sociedad en el que se justifique detalladamente la propuesta, se especifique el valor de las acciones de la sociedad y la contraprestación a satisfacer por las nuevas acciones, y se indique las personas a las que hayan de atribuirse.

A continuación se analiza en dos apartados el cumplimiento de los requisitos legales para la ejecución de un aumento como el que aquí se propone: en el sub-apartado 1 se justifica, desde la perspectiva del interés social, el Aumento de Capital y la exclusión del derecho de suscripción preferente que conlleva y en el sub-apartado 2 se justifica el cumplimiento de la obligación legal de que el tipo de emisión de las acciones se corresponda con su valor razonable.

#### **1. Justificación del interés social**

El Consejo de Administración considera que el Aumento de Capital y la exclusión del derecho de suscripción preferente de los accionistas resultan plenamente conformes con los requisitos sustantivos establecidos en la Ley de Sociedades de Capital y, especialmente, con el relativo a la necesidad de que la exclusión venga exigida por el interés social de la Sociedad. Ello es así porque (a) permite realizar una operación conveniente desde el punto de vista del interés social; (b) el procedimiento escogido resulta

idóneo para dicho fin; y (c) existe una relación de proporcionalidad entre el objetivo buscado y el medio elegido, según seguidamente se detalla.

Como se ha señalado en el apartado anterior, el Aumento de Capital va a permitir la retribución a la Sociedad Gestora por los servicios prestados a Lar España durante el ejercicio 2018 en los términos acordados en el IMA, y, por tanto, el cumplimiento de las obligaciones contractuales de la Sociedad.

El Consejo de Administración considera que el Aumento de Capital, con la necesaria exclusión del derecho de suscripción preferente, constituye el procedimiento idóneo para satisfacer la obligación contractual, porque es la única estructura jurídica que permite atribuir directamente a Grupo Lar las acciones que le corresponden por la prestación de sus servicios de acuerdo con el IMA.

Por último, el Consejo de Administración considera que la medida de la exclusión cumple con la debida proporcionalidad que debe existir entre las ventajas que se obtienen para la Sociedad y los inconvenientes que eventualmente podrían causarse a aquellos accionistas que viesan mermadas sus expectativas a causa de la dilución política que necesariamente entraña toda ampliación sin derechos. Además, la dilución económica se halla excluida ya que las nuevas acciones se emitirán a su valor razonable.

En vista de todo lo que antecede, el Consejo de Administración de Lar España estima que el Aumento de Capital está justificado por razones de interés social. Consecuentemente y dado que la estructura y características de la operación propuesta implican la imposibilidad de mantener el derecho de suscripción preferente de los accionistas, se propone adoptar el acuerdo de Aumento de Capital con exclusión del derecho de suscripción preferente, estimando, como ha quedado dicho y razonado, que así lo exige el interés social de la Sociedad.

## 2. Emisión a valor razonable

El artículo 308.2.c) de la Ley de Sociedades de Capital exige que el valor nominal de las nuevas acciones más, en su caso, el importe de la prima de emisión se corresponda con el valor que resulte del informe del experto independiente designado al efecto por el Registro Mercantil.

Además, el artículo 504 de la referida norma añade que, en el caso de sociedades cotizadas, el valor razonable se entenderá como valor de mercado que, salvo que se justifique lo contrario, se presumirá que es el que se establezca por referencia a la cotización bursátil.

De acuerdo con el método de calculado introducido en la cláusula 7.2 del IMA a raíz de la novación del mismo firmada por las partes el 19 de febrero de 2018, las nuevas acciones se suscribirán a un precio por acción de 10,34 euros, que a fecha del presente informe es superior al precio de cotización de las acciones de la Sociedad en el mercado.

Así pues, siendo como se ha dicho el tipo de emisión (valor nominal más prima) del Aumento de Capital objeto de este informe de 10,34 euros por acción, el Consejo de Administración de Lar España estima que el tipo de emisión previsto cumple con las exigencias legales descritas, al resultar superior al que correspondería por referencia a la cotización bursátil de la Sociedad.

En todo caso, como se ha indicado al inicio de este apartado, con arreglo a lo exigido por el artículo 308.2.a) de la Ley de Sociedades de Capital, el tipo de emisión de las acciones se debe corresponder con el "valor razonable que resulte del informe del auditor de cuentas", un auditor de cuentas distinto del auditor de la Sociedad nombrado por el Registro Mercantil de Madrid al efecto –en este caso, el auditor designado ha sido Grant Thornton, S.L.P.–, es responsable de emitir el correspondiente informe sobre el valor razonable de las acciones de la Sociedad, sobre el valor teórico de los derechos de suscripción preferente cuyo ejercicio se propone suprimir y sobre la razonabilidad de los datos contenidos en el



presente informe, el cual se pondrá a disposición de los accionistas con ocasión de la convocatoria de la Junta General de la Sociedad en los términos legalmente previstos.

#### **4. PROPUESTA DE ACUERDO**

##### **PUNTO SÉPTIMO DEL ORDEN DEL DÍA**

**Aumento de capital por importe nominal de 1.242.674 euros para la emisión de las acciones a suscribir por la Sociedad Gestora como performance fee en cumplimiento de lo previsto en el Investment Manager Agreement, con exclusión del derecho de suscripción preferente y delegación en el Consejo de Administración para la ejecución del acuerdo**

##### **ACUERDO**

Aumentar el capital social de Lar España por importe nominal de 1.242.674 euros, mediante la emisión y puesta en circulación de un total de 621.337 acciones ordinarias de la Sociedad, de dos euros de valor nominal cada una, representadas mediante anotaciones en cuenta, con una prima de emisión total de 5.181.950,58 euros.

1. Tipo de emisión de las acciones. El tipo de emisión (nominal más prima de emisión) de cada nueva acción ascenderá a 10,34 euros por acción.

2. Destinatario del aumento. El aumento de capital se dirigirá al Grupo Lar Inversiones Inmobiliarias, S.A. ("Grupo Lar"), sociedad de nacionalidad española existente con domicilio social en Madrid, calle Rosario Pino 14-16, 28020, y con Número de Identificación Fiscal (N.I.F.) A-78107125, inscrita en el Registro Mercantil de Madrid al tomo 797 general, 772 de la sección 3ª del Libro de Sociedades, folio 13, hoja número 68.078, inscripción 1ª, quien con carácter previo a este acuerdo ha manifestado y confirmado su compromiso de suscribir íntegramente la ampliación de capital objeto del presente acuerdo.

3. Derechos de las nuevas acciones. Las nuevas acciones, representadas mediante anotaciones en cuenta, atribuirán a su titular los mismos derechos políticos y económicos que las acciones ordinarias de la Sociedad actualmente en circulación, a partir de la fecha en que queden inscritas a su nombre en los correspondientes registros contables. La admisión a negociación de las nuevas acciones no requerirá la aprobación ni el registro por la CNMV de un folleto informativo.

4. Fecha y condiciones. Corresponderá al Consejo de Administración determinar la fecha en la que el acuerdo deba llevarse a efecto dentro del plazo máximo de un año a contar desde su adopción por la Junta General y fijar los términos y condiciones del mismo en todo lo no previsto en el acuerdo de la Junta General, de conformidad con el artículo 297.1.a) de la Ley de Sociedades de Capital.

5. Exclusión del derecho de suscripción preferente. Se acuerda excluir totalmente el derecho de suscripción preferente de los accionistas de la Sociedad en relación con este aumento de capital, según los motivos expuestos en el informe de administradores formulado en su reunión celebrada el 14 de marzo de 2019 y en aras de proteger el interés social de Lar España.

6. Admisión a negociación de las acciones. Se acuerda solicitar la admisión a negociación de las acciones ordinarias que se emitan por la Sociedad como consecuencia de este aumento de capital en las Bolsas de Madrid, Barcelona, Bilbao y Valencia, así como en cualesquiera otros mercados nacionales o extranjeros en los que las acciones de la Sociedad estén admitidas a negociación, a cuyo efecto la Sociedad

podrá acogerse a la excepción a la obligación de publicar un folleto informativo, de conformidad con el artículo 26.1.a) del Real Decreto 1310/2005, de 4 de noviembre.

7. Suscripción y desembolso. El aumento de capital deberá ser íntegramente suscrito y desembolsado mediante aportaciones dinerarias en el tiempo y forma que determinen las personas facultadas o apoderadas al efecto en virtud de este acuerdo.

8. Suscripción incompleta. El Consejo de Administración podrá acordar la suscripción incompleta del aumento de capital y declarar aumentado el mismo en la cuantía efectivamente suscrita de conformidad con lo dispuesto en el artículo 311 de la Ley de Sociedades de Capital.

9. Delegación de facultades. Al amparo de lo previsto en el artículo 297.1.a) de la Ley de Sociedades de Capital, se acuerda facultar al Consejo de Administración de la Sociedad, con expresas facultades de sustitución en todos sus miembros, para que cualquiera de ellos, indistinta e individualmente, pueda ejecutar el presente acuerdo y determinar las condiciones del mismo no acordadas por la presente Junta General de la Sociedad y, en particular, con carácter indicativo y no limitativo, pueda:

- (i) Notificar a Grupo Lar la aprobación del presente acuerdo, fijar la fecha en que el aumento deba llevarse a cabo y solicitar a Grupo Lar que proceda al desembolso.
- (ii) Declarar cerrado el aumento de capital una vez sean suscritas y desembolsadas (íntegramente o no) las nuevas acciones por Grupo Lar, otorgando cuantos documentos públicos y/o privados sean convenientes para la ejecución del aumento de capital, y declarar modificada la redacción de los Estatutos Sociales relativa al capital en los términos recogidos en el punto 2 del informe de administradores sobre la ampliación de capital; o, en caso de que, entre la fecha de aprobación por el Consejo de Administración de dicho informe y la fecha de ejecución de este aumento de capital se produjeran modificaciones en la cifra del capital social de la Sociedad con motivo de algún aumento de capital o en el número de acciones en que se divide el capital social de la Sociedad con motivo de algún acuerdo de la Junta General de Accionistas, ajustar, en su caso, el importe del aumento de capital y el número de acciones a emitir y modificar el artículo de los Estatutos Sociales relativo al capital social tomando en consideración dichas modificaciones.
- (iii) Comparecer ante notario y otorgar la correspondiente escritura pública de ampliación de capital, solicitar la inscripción en el Registro Mercantil de la citada escritura pública y realizar los anuncios de la emisión que sean preceptivos, así como otorgar los documentos públicos y privados necesarios para la declarar el cierre de la suscripción del aumento de capital.
- (iv) Solicitar la admisión a negociación de las acciones ordinarias que se emitan por la Sociedad en las Bolsas de Madrid, Barcelona, Bilbao y Valencia, así como en cualesquiera otros mercados nacionales o extranjeros en los que las acciones de la Sociedad estén admitidas a negociación.
- (v) Redactar, suscribir y presentar, en caso de que fuera necesario o si lo estima conveniente, ante la CNMV o cualesquiera otras autoridades supervisoras que fueran procedentes, en relación con la emisión y admisión a negociación de las nuevas acciones, cuantos documentos sean precisos y, en particular, los documentos e informaciones que se requieran en cumplimiento de lo dispuesto en la Ley del Mercado de Valores y del Real Decreto 1310/2005, de 4 de noviembre (modificado por el Real Decreto 1698/2012, de 21 de diciembre), en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos, en la medida que resulten

*de aplicación; asimismo, realizar en nombre de la Sociedad cualquier actuación, declaración o gestión que se requiera ante la CNMV, Iberclear, las Sociedades Receptoras de las Bolsas y cualquier otro organismo o entidad o registro público o privado, español o extranjero, y realizar todos los trámites necesarios para que las nuevas acciones ordinarias resultantes del aumento de capital sean inscritas en los registros contables de Iberclear y admitidas a negociación en las Bolsas de Valores en las que cotizan las acciones de la Sociedad actualmente en circulación, así como en el Sistema de Interconexión Bursátil (SIBE).*

- (vi) Subsanan, aclarar, interpretar, precisar o complementar los acuerdos adoptados por esta Junta General, o los que se produjeran en cuantas escrituras o documentos se otorgasen en ejecución de los mismos y, en particular, cuantos defectos, omisiones o errores, de fondo o de forma, impidieran el acceso de los acuerdos y de sus consecuencias al Registro Mercantil, los Registros Oficiales de la CNMV o cualesquiera otros.*
- (vii) Otorgar en nombre de la Sociedad cuantos documentos públicos o privados sean necesarios o convenientes para el aumento de capital objeto del presente acuerdo y, en general, realizar cuantos trámites sean precisos para la ejecución del presente acuerdo y la efectiva puesta en circulación de las acciones.*

## Anexo II



**BOLSA DE MADRID**

Sociedad Rectora de la Bolsa de Valores  
de Madrid, S.A. Sociedad Unipersonal

BOLSA DE MADRID

Registro Salida

21/03/2019



RS19-040-00103-SE

## EL SECRETARIO DEL CONSEJO DE ADMINISTRACION DE LA SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE MADRID, S.A.,

**CERTIFICA** que, de los antecedentes que existen en esta Secretaría a su cargo y de los correspondientes a las restantes Bolsas españolas de Valores, resulta que, durante el periodo comprendido entre el día 20 de diciembre de 2018 y el día 19 de marzo de 2019, ambos inclusive, el cambio medio simple de los cambios medios ponderados diarios de la contratación bursátil de las acciones de LAR ESPAÑA REAL ESTATE SOCIMI, S.A., fue de 7,8999 euros.

Asimismo, durante el periodo de tiempo anteriormente mencionado, se celebraron en esta Bolsa 61 sesiones bursátiles, en todas las cuales cotizaron las acciones de LAR ESPAÑA REAL ESTATE SOCIMI, S.A., ascendiendo su contratación a un total de acciones 11.254.869 y 88.856.683,30 euros de importe efectivo, resultado de agregar los importes diarios de contratación.

El día 19 de marzo de 2019, el cambio de cierre de las mencionadas acciones fue de 7,7500 euros con un total contratado de 134.305 acciones y 1.040.219,42 euros de importe efectivo.

Lo que, a petición de Grant Thornton, S.L.P., y para que surta los efectos oportunos, hace constar con el visto bueno del Sr. PRESIDENTE, en Madrid, a 20 de marzo de dos mil diecinueve.

Vº Bº  
EL PRESIDENTE

EL SECRETARIO





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 OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RATIFICATION, IF APPROPRIATE, OF THE APPOINTMENT AND RE-ELECTION OF MS. LETICIA IGLESIAS HERRAIZ AS INDEPENDENT DIRECTOR UNDER ITEM SIX ON THE AGENDA OF THE GENERAL SHAREHOLDERS MEETING CALLED FOR THE 24 AND 25 APRIL 2019, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **INTRODUCTION**

This report is issued by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), pursuant to paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Companies Law**”), and has the purpose of justifying the proposal of ratification, if appropriate, of the appointment and re-election of Ms. Leticia Iglesias Herraiz as external independent director of the Company.

In accordance with the referred article, the Appointments and Remunerations Committee shall propose the appointment or re-election of the independent directors of the Board of Directors of the Company. Such proposal must be accompanied by a Board of Director's report justifying the appointment and assessing the competence, experience and merits of the person who's appointment or re-election is proposed to the General Shareholders meeting.

This report has the aim of (i) justifying the appointment of Ms. Leticia Iglesias Herraiz as external independent director of the Company; and (ii) assessing her competence, experience and merits, all under the proposal of the Company's Appointments and Remunerations Committee.

The said proposal of the Appointments and Remunerations Committee is attached to this report as **Annex I**.

Consequently, the Company's Board of Directors issues this report justifying the appointment of Ms. Leticia Iglesias Herraiz as external independent director of the Company, which has been approved by the members of the Board on 14 March 2019.

### **1. JUSTIFICATION OF THE APPOINTMENT**

The assessment by the Board of the reputation, competence, experience and merits of Ms. Leticia Iglesias Herraiz and the convenience of her appointment for the fulfilment of the functions carried out by an independent director of the Company will be outlined below, in light of the proposal issued by the Company's Appointments and Remunerations Committee, on 14 March 2019.

For the purpose of article 518.e) of the Spanish Companies Law, this report has complete information concerning the identity, experience and category to which the proposed candidate belongs.



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**a. Professional and biographical profile and membership of other boards of directors**

Ms. Leticia Iglesias Herraiz has a wide experience in both the regulation and supervision of securities markets, in financial services and in audit. She started her professional career in 1987, in the audit division of Arthur Andersen. Then from 1989 to 2007 she further developed her career in the Securities Exchange Commission of Spain (the "CNMV"). From 2007 to 2013 she was Chief Executive Officer of the Spanish Institute of Chartered Accountants (ICJCE). Additionally from 2013 to 2017 she was an independent member of the Board of Directors at BMN, member of the Executive Committee, Chair of the Global Risk Committee and member of the Audit Committee. From 2017 to 2018, she was an independent member of Board of Directors at Abanca Services and Chair of the Audit and Risk Committee. Since May 2018, she has been an independent member of the Board of Directors of Abanca Bank, Chair of the Audit and Compliance Committee, member of the Global Risk Committee and member of the Comprehensive Risk Committee.

Ms. Leticia Iglesias Herraiz holds a degree in Economics and Business Studies from Universidad Pontificia Comillas (ICADE) and is member of the Official Registry of Auditors of Spain (ROAC).

**b. Report of the Appointments and Remunerations Committee and assessment of Ms. Leticia Iglesias Herraiz**

The Company's Board of Directors, in light of Mr. Pedro Luis Uriarte Santamarina's announcement of his intention to resign from his position as member of the Company's Board of Directors, as well as from his position as member and Chair of the Audit and Control Committee, initiated the corresponding process to assess the appointment of a new director, analyzing the current structure and composition of the Board, as well as the knowledge, skills and experience of its members. The process was carried out in accordance with the principles and provisions included in the Director Selection Policy approved by the Company on January 2016.

Once the process started, the Appointments and Remunerations Committee carried out an analysis of the needs of the Board and, taking into account the above, concluded that in view of the current shareholding structure and the number of Board members resulting from the resignation of Mr. Uriarte from his position as director, it was necessary to appoint an independent director. In addition, the Appointments and Remunerations Committee concluded that the referred independent director would be appointed by means of the co-option system (*cooptación*) to fill the vacancy generated following Mr. Pedro Luis Uriarte Santamaria's resignation from his position as Company's director.

In this respect, and regarding the appointment of the referred independent director by means of the co-option system (*cooptación*), the Appointments and Remunerations Committee:

- (i) carried out a selection process with the assistance of Korn Ferry, a leading Head Hunter firm, selected among 3 specialized firms, whereby 19 candidates were assessed. This process was carried out in accordance with the provisions included in the Director Selection Policy of the Company;
- (ii) received positive feedback from the rest of the directors and, particularly, from the independent directors, concerning the appointment of the final candidate as an independent director of the Company;



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- (iii) assessed her potential contributions as independent director, contributing with her perspective and knowledge of the market and, particularly;
- (iv) analyzed the needs of the Board of Directors regarding its members; and
- (v) reviewed her professional profile, concluding that she is highly qualified and ideal for carrying out the functions of an independent director; and that she demonstrates proven reputation, solvency, competence and experience, as well as the necessary combination of attributes and abilities to lead the supervision currently exercised by the Board of Directors.

Finally, the Appointments and Remunerations Committee verified, to the extent possible, that there were no incompatibilities, prohibitions or conflicts of interest involved in accordance with the law or as provided in the corporate governance system, and that the procedures for selecting Board members had no implicit bias that could entail any form of discrimination and, in particular, that could hinder the selection of female directors.

Based on the above, the conclusion that her appointment as external independent director of the Company would bring important advantages to this Board of Directors was reached and, consequently, the Company's Appointments and Remunerations Committee proposed her appointment by means of the co-optation (*cooptación*) system. Ms. Leticia Iglesias Herraiz was designated as director on the Board of Directors' meeting held on 16 October 2018.

Moreover, the Appointments and Remunerations Committee deems that, considering her profile and professional career, Ms. Leticia Iglesias Herraiz is going to exercise her duties as director with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and responsible and with freedom and independence of judgement, as shown by her professional track record. Furthermore, the Appointments and Remunerations Committee has considered that Ms. Leticia Iglesias Herraiz is going to devote the necessary time to carry out her tasks effectively and is sufficient available for the proper development of her functions.

## **2. JUSTIFICATIONS**

In light of the above, and in accordance with the Director Selection Policy, as well as in view of the services rendered to this date in her position, the Board considers that Ms. Leticia Iglesias Herraiz's career and CV demonstrate her reputation, competence and merits to continue serving as director. Her extensive experience and her deep knowledge guarantee a correct continuity in the management of the interests of the Company. In addition, having her as member of the Board of Directors of the Company is aligned with the Company's policy and compromise of having a diverse composition in its Board. The above, as well as the reasons of the Appointments and Remunerations Committee for the referred ratification and re-election (which this body accepts as its own), implies that the Board of Director understands that the ratification and re-election of Ms. Leticia Iglesias Herraiz as director of the Company is justified and convenient, and that the Board is convinced that she will continue the management of the Company and the group in the manner carried out to date.



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### **3. CATEGORY**

Ms. Leticia Iglesias Herraiz will not represent any shareholder at the Board of Directors; neither will she have executive functions. Therefore, according to the applicable law, the candidate will be an external independent director.

### **4. CONCLUSIONS OF THE BOARD OF DIRECTORS**

The Board of Directors, in view of the above, considers that the proposal of the Appointments and Remunerations Committee on the ratification and re-election of Ms. Leticia Iglesias Herraiz as external independent director is justified, on the understanding that she will support the continuity in the management of the Company and its group.

Madrid, 14 March 2019



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## ANNEX I

### **PROPOSAL OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE TO THE BOARD OF DIRECTORS ON THE RATIFICATION AND RE-ELECTION OF MS. LETICIA IGLESIAS HERRAIZ AS EXTERNAL INDEPENDENT DIRECTOR TO BE SUBMITTED TO THE GENERAL SHAREHOLDERS MEETING**



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## **PROPOSAL OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE TO THE BOARD OF DIRECTORS ON THE RATIFICATION AND RE-ELECTION OF MS. LETICIA IGLESIAS HERRAIZ AS EXTERNAL INDEPENDENT DIRECTOR TO BE SUBMITTED TO THE GENERAL SHAREHOLDERS MEETING**

### **1. INTRODUCTION**

The Appointments and Remunerations Committee of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), pursuant to section 4 of article 529 *decies* of the consolidated text of the Spanish Companies Law (Ley de Sociedades de Capital), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Companies Law**”), issues this proposal which is submitted for the approval of the General Shareholders Meeting of the Company called for the 24 and 25 April 2019, on first and second call, respectively, under item six on the agenda, for the ratification, if appropriate, of the appointment by means of the co-option (*cooptación*) system and the re-election for the statutory period of three years of Ms. Leticia Iglesias Herraiz, as an external independent director of the Company.

In accordance with paragraph 4 of article 529 *decies* of the Spanish Companies Law, the power to issue the proposal for the appointment or re-election of independent directors of the Board of Directors corresponds to the Appointments and Remunerations Committee.

Likewise, Article 15.4.c) of the Board of Directors' Regulation of the Company provides that this Committee must submit the proposals for the appointment or re-election of independent directors to the Company's Board of Directors which, in turn, must submit the proposal to the approval of the General Shareholders' Meeting of the Company. Furthermore, according to Article 15.5.c.iii of the Board of Directors' Regulation of the Company, this Committee shall submit to the Board of Directors the proposals of re-election of independent directors.

### **2. PURPOSE OF THE PROPOSAL**

The proposal is prepared with the purpose of complying with the provisions included in paragraph 4 of article 529 *decies* of the Spanish Companies Law.

### **3. ASPECTS CONSIDERED BY THE APPOINTMENTS AND REMUNERATIONS COMMITTEE**

The Company's Board of Directors, in light of Mr. Pedro Luis Uriarte Santamarina's announcement of his intention to resign from his position as member of the Company's Board of Directors, as well as from his position as member and Chair of the Audit and Control Committee, initiated the corresponding process to assess the appointment of a new director, analyzing the structure and composition of the current Board, as well as the knowledge, skills and experience of its members. The process was carried out in accordance with the principles and provisions included in the Director Selection Policy approved by the Company on January 2016.

The Appointments and Remunerations Committee carried out an analysis of the needs of the Board and, taking into account the above, concluded that in view of the current shareholding structure of the Company and the resulting number of Board members following Mr. Uriarte's



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resignation from his position as director, it is necessary to appoint an independent director. Such director would be appointed by means of the co-option system (*cooptación*) to fill the vacancy generated following Mr. Pedro Luis Uriarte Santamaria's resignation from his position as Company's director.

In this respect, and regarding the appointment of the referred independent director by means of the co-option system (*cooptación*), the Appointments and Remunerations Committee:

- (i) carried out a selection process with the assistance of Korn Ferry, a leading Head Hunter firm, selected among 3 specialized firms, whereby 19 candidates were assessed. This process has been carried out in accordance with the provisions included in the Director Selection Policy of the Company;
- (ii) received positive feedback from the rest of the directors and, particularly, from the independent directors, concerning the appointment of the final candidate as an independent director of the Company;
- (iii) assessed her potential contributions as independent director, contributing with her perspective and knowledge of the market;
- (iv) analyzed the needs of the Board of Directors regarding its members; and
- (v) reviewed her professional profile, concluding that she is highly qualified and ideal for carrying out the functions of an independent director; and that she demonstrates proven reputation, solvency, competence and experience, as well as the necessary combination of attributes and abilities to lead the supervision currently exercised by the Board of Directors.

Likewise, the Appointments and Remunerations Committee has verified, to the extent possible, that there were no incompatibilities, prohibitions or conflicts of interest involved in accordance with the law or as provided in the corporate governance system, and that the procedures for selecting Board members had no implicit bias that could entail any form of discrimination and, in particular, that could hinder the selection of female directors.

Under the powers of appointment by means of the cooption (*cooptación*) system legally delegated thereto, and following the proposal submitted by the Appointments and Remunerations Committee, the Board of Directors appointed Ms. Leticia Iglesias Herraiz as director of the Company on 16 October 2018.

In addition to the above, the Appointments and Remunerations Committee has re-evaluated the suitability of the appointment of Ms. Leticia Iglesias Herraiz considering (i) the current shareholding structure of the Company (ii) the prospective quantitative composition of the Board of Directors after the General Meeting of Shareholder and (iii) the performance of Ms. Leticia Iglesias Herraiz. In this regard, the Committee considers that the current circumstances justify the ratification of Ms. Leticia Iglesias Herraiz. Moreover, the Appointments and Remunerations Committee deems that, considering her profile and professional career, Ms. Leticia Iglesias Herraiz is going to exercise her duties as director with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and responsible and with freedom and independence of judgement, as shown by her professional track record.



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Furthermore, the Appointments and Remuneration Committee has considered that Ms. Leticia Iglesias Herraiz is going to devote the necessary time to carry out her tasks effectively and is sufficient available for the proper development of her functions. Given the above, the Appointments and Remuneration Committee considers to be appropriate the re-election of Ms. Leticia Iglesias Herraiz as director of the Company.

Therefore, the Committee deems that Ms. Leticia Iglesias Herraiz counts with the required skills, expertise, merits to carry out her tasks as director of the Company.

#### **4. CATEGORY OF DIRECTOR TO WHICH SHE BELONGS OR MUST BE ASSIGNED**

D.<sup>a</sup> Leticia Iglesias Herraiz will not represent any shareholder at the Board of Directors; neither will she have executive functions. Therefore, according to the applicable law, she will be an external independent director.

#### **5. CONCLUSIONS OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE**

The Appointments and Remunerations Committee, in view of the above, as well as in view of the services rendered to this date in her position, considers that Ms. Leticia Iglesias Herraiz meets the appropriate competence, experience and merits requirements to serve the position of director of the Company under conditions established by Law and regulation, and consequently, submits to the Board of Directors for the approval of the General Meeting of Shareholders the proposal of ratification and re-election of Ms. Leticia Iglesias Herraiz as external independent director of the Company.

#### **6. RESOLUTION PROPOSAL**

The proposed resolution submitted for the approval of the General Shareholders Meeting reads as follows:

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

**Ratification of the appointment and re-election, if appropriate, of Ms. Leticia Iglesias Herraiz as independent director of the Company, for the statutory period of three years.**

##### **RESOLUTION**

*Ratify the resolution adopted by the Board of Directors at its meeting held on 16 October 2018, appointing Ms. Leticia Iglesias Herraiz, of legal age, of Spanish nationality and Spanish identification number (DNI) 05266631E, in force, with professional address for these purposes at Rosario Pino 14-16, 8<sup>o</sup> Planta, Madrid, as a member of the Board, under the category of "independent directors", by the co-option system to replace the vacancy arising from the resignation of Mr. Pedro Luis Uriarte Santamarina; and reappoint her as an independent director of the Company for the statutory period of three years starting from the date of this General Shareholders Meeting.*

*The proposed re-election is accompanied by a supporting report from the Board, evaluating the competence, experience and merits of Ms. Leticia Iglesias Herraiz, as well as the corresponding report from the Appointments and Remunerations Committee. These reports have been made available to the shareholders as from the publication of the notice of the General Shareholders Meeting.*

*Ms. Leticia Iglesias Herraiz will accept her appointment by any means valid under the Law."*

En Madrid, a 14 de marzo de 2019.



## EXHIBIT I

### ANNUAL REPORT ON DIRECTOR REMUNERATION AT LISTED COMPANIES

DATA IDENTIFYING THE ISSUER

**FINANCIAL YEAR END:**

12/31/2018

**TAX ID NUMBER (CIF):**

A-86918307

**Registered Business name:**

LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

**Registered Business office:**

Rosario Pino 14-16, Madrid

*English loose translation for information purposes. In case of discrepancy Spanish version shall prevail.*

## ANNUAL REPORT ON DIRECTOR REMUNERATION AT LISTED COMPANIES

### A REPORTING COMPANY'S REMUNERATION POLICY FOR THE YEAR IN PROGRESS

#### A.1 Explain the Company's remuneration policies. The information reported in this section should include:

- General remuneration policy principles and fundamentals.
- The most significant changes in remuneration policy with respect to that applied during the prior reporting period, including any changes made during the year to the terms for exercising stock options already granted.
- Criteria used to determine, and composition of, the groups of comparable companies whose remuneration policies have been examined in the course of establishing the company's remuneration policy.
- The relative importance of the remuneration inputs used to determine fixed pay and the criteria followed to determine the various components of the directors' remuneration packages (remuneration mix).

#### Explanation of the remuneration policy

On April 19, 2018, the Annual General Meeting of LAR ESPAÑA REAL ESTATE SOCIMI approved the new remuneration policy of the Board of Directors, replacing the remuneration policy previously approved on April 28, 2015. This policy determines the remuneration of the directors of Lar España in their capacity as such, within the remuneration system provided for in the bylaws of the company.

The policy is aligned with approved corporate governance rules and recommendations. In its preparation, the significance of the Company, its economic situation, its condition as a Listed Real Estate Investment Company (SOCIMI), the market standards for other Spanish SOCIMIS and Real Estate Investment Trusts (REITs) from the rest of Europe, and the particular dedication of the directors of the Company, were taken in account.

It is up to the Board of Directors to determine the remuneration of each director, to which end it will factor in the duties and responsibilities assigned to each, their membership of Board committees and other circumstances it deems material.

#### General principles

The remuneration policy of the Board of Directors of Lar España is based on the following principles:

- Independent judgment
- Attraction and retention of the best professionals
- Long-term sustainability
- Transparency

- Simplicity and individualization
- Fairness and proportionality of compensation
- Involvement of the Appointments and Remunerations Committee
- Approval of the annual maximum quantity of the directors' remuneration by the General Shareholders' Meeting and delegations in favor of the Board of Directors

### **Most significant changes in remuneration policy with respect to that applied during the prior reporting period**

The prevailing remuneration policy was ratified at the Annual General Meeting held in 2018 and is effective for 2018, 2019, and 2020.

The most significant changes are:

- Increase of the total maximum amount to satisfy from 389,000 EUR to 530,000 EUR (This increase includes the incorporation of an additional Director)
- Increase of the non-proprietary director's fixed remuneration from 60,000 EUR to 70,000 EUR. The Board's Chairman will earn an additional 55,000 EUR up to a total of 125,000 EUR.
- Removal of the minimum board attendance requirement.

The fixed remuneration of the Committee's members established in the old policy will remain the same. No variable remuneration will be contemplated under any circumstances.

These changes have been executed with the aim of increasing the independence and long-term retention and attraction.

### **Criteria used to determine the company's remuneration policy**

The remuneration regime established in the shareholder-approved policy is designed to promote the long-term profitability and sustainability of the company and inject the safeguards needed to prevent the assumption of too much risk or the reward of adverse results.

The guiding principles of director remuneration policy are approved and updated by the Appointments and Remuneration Committee and the Board of Directors with a view to keeping the company's policy in line with market trends and best remuneration practices among competitors. Likewise, during the process of making the Remuneration Policy, Lar España was advised by Mercer Consulting, which analyzed the remuneration system of various SOCIMIs in Spain and REITs in the rest of Europe.

### **The relative importance of variable vs. fixed remuneration items, as well as criteria for determining the different components of board member remuneration packages (remuneration mix).**

The prevailing remuneration policy does not contemplate variable remuneration for directors. In 2018, director remuneration consisted entirely of fixed pay.

**A.2 Explain the Company’s remuneration policies. This section should include information on: A report on the preparatory work and decision-making process behind the design of the remuneration policy and the role played, as warranted, by the remuneration committee and other governing bodies in determining remuneration policy. This information should include, as necessary, the mandate and composition of the remuneration committee and the identity of any external advisers engaged to help define remuneration policy. State also the nature of any directors involved in designing the firm's remuneration policy.**

<b>Explain the remuneration policy design process</b>
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As per article 15.5.e.ii of the Board Regulations, the Appointments and Remuneration Committee must review the directors' remuneration policy periodically and make proposals for any amendments or updates to the Board of Directors for submission to the company's shareholders in general meeting; this remit includes proposals with respect to the amount directors receive annually. Note that the Appointments and Remuneration Committee submitted a remuneration policy report and proposal, prepared with the assistance of Ernst & Young, S.L., to the Board of Directors in 2015. This policy was then ratified at the Annual General Meeting held on April 19, 2018.

Likewise, during the process of making the Remuneration Policy, Lar España was advised by Mercer Consulting, which analyzed the remuneration system of various SOCIMIs in Spain and REITs in the rest of Europe.

**Composition of the Appointments and Remuneration Committee**

As stipulated in article 15 of the Board Regulations, the Appointments and Remuneration Committee must comprise a minimum of three and maximum of five directors, appointed by the Board of Directors itself, from among its external directors, at the proposal of the Board's Chairman. The majority of the members of the Appointments and Remuneration Committee must be independent directors. The Board of Directors must also appoint a committee chair from among the independent directors comprising the committee.

In 2018, the Appointments and Remuneration Committee was configured as follows:

<b>Name</b>	<b>Position</b>	<b>Type</b>
Roger Maxwell Cooke	Chairman	Independent
Alec Emmott	Member	Independent
Miguel Pereda	Member	Proprietary
Laurent Luccioni	Member	Proprietary
Juan Gómez-Acebo	Secretary	Non-director

In 2018 the majority of the members of the Appointments and Remuneration Committee are not independent directors, although the Company intends to comply with this requirement as soon as vacancies occur in the same, and therefore has not

modified the Regulations of the Board. In this regard, the Company has achieved a differentiation between the Appointments and Remuneration Committee and the Audit and Control Committee (made up of independent Directors) in order to achieve independence between both Committees and a greater participation of all external directors. Notwithstanding, the independence of the decisions of the Committee is guaranteed as there are no executive directors and the Chairman of the Appointments and Remuneration Committee, who is independent, has a casting vote in the event of a draw.

**A.3 Amount of the fixed components, itemized where necessary, of compensation paid to executive directors, and additional compensation for acting as chairman or member of a Board committee, committee attendance fees, and other fixed director payments, as well as with an estimate of the fixed annual payment they give rise to. Mention any other benefits not paid in cash, and other key parameters for granting them.**

<b>Describe fixed remuneration components.</b>
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As stipulated in Lar España's Director Remuneration Policy approved on April 19, 2018 and in effect for 2018, 2019 and 2020, the fixed components of director remuneration are as follows:

- In relation to the remuneration of the members of the Board of Directors due to their status as such, the Remuneration Policy intends to reward them in an adequate and sufficient manner for their dedication, qualifications and responsibilities, without implying compromising their independence of criteria.
- Apart from proprietary directors, who are not compensated in any way, Lar España's Board of Directors earn a fixed payment of 70,000 per annum. The Chairman earns an additional 55,000€ of the remuneration paid to the remaining Board members (a total of 125,000 euros annually).
- Board members serving on any of the Committees will be compensated with an additional 15,000 euros per year for participating in them. The President of the Audit and Control Committee will earn an additional 7,500 euros annually (a total of 22,500 euros annually) and the President of the Appointments and Remuneration Committee an additional 2,000 euros (a total of 17,000 euros annually).
- Lastly, the members of the Board who, at the appointment of Lar España, hold positions on the boards of company investees may receive additional fixed remuneration for attending those boards' meetings in an amount of 15,000 euros per annum
- Lar España also reimburses its Board members for any travel expenses corresponding to their participation on the Board and Committees.
- Lar España's remuneration policy stipulates, according to the circumstances and composition of the Board back in 2018, a maximum annual amount payable to the Board of Directors of 530,000 euros.

**A.4 The amount, nature, and main characteristics of the variable components of compensation paid to executive directors.**

**In particular:**

- Describe each of the compensation plans benefiting each Board member, their scope, approval and implementation dates, duration, and key characteristics. Information on stock option plans and other financial instrument plans should include their general terms, and information on the conditions for exercising them.
- Indicate any payments made under profit-sharing or bonus schemes, and the reason for their accrual.
- Key parameters and grounds for any system of annual bonuses.
- Types of board members (executive directors, external directors, independent directors, or other executive directors) who are the recipients of remuneration schemes or plans involving variable compensation.
- The basis for these variable remuneration schemes or plans, selection of performance-assessing criteria, as well as the components and methods for determining whether established criteria has been met, as well as an estimated sum total of variable payments arising from the remuneration policy, based on degree of compliance with pre-set targets or benchmarks.
- Where necessary, provide information on deferment or payment instalment plans established, and/or retention periods for any stocks or other financial instruments.

<b>Variable components of remuneration policies</b>
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The prevailing remuneration policy does not contemplate variable remuneration for directors. However, Lar España's Board Regulations (article 27.5) provide that any variable remuneration tied to the company and/or the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans be confined to executive directors. Non-executive directors may only participate in share-based remuneration schemes provided they retain such shares until the end of their mandate.

Note that Lar España did not have any executive directors in 2018.

**A.5 Chief characteristics of long-term savings plans, including retirement and any other survivor benefits which are partially or entirely financed by the Company, granted internally or externally, including an estimated amount or equivalent annual amount, with indications on plan type, whether defined contribution or defined benefit plans, conditions necessary for consolidating economic rights in favour of board members, and their compatibility with any other types of indemnification arising from early termination of the contractual relationship between the Company and the board member.**

**Also, reflect contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes.**

<b>Long-term savings schemes</b>
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In 2018, none of the Lar España directors benefited from long-term savings plans, including retirement as well as any other survivor benefits partially or entirely financed by the Company.

**A.6 Any severance packages agreed or paid for termination of board member functions.**

**Describe the indemnities**

Pedro Luis Uriarte finished his work as board member of Lar España in October 2018, but he did not receive any indemnities for the termination of his duties.

**A.7 The contractual conditions to be observed by executive directors exercising management functions. Any other clauses covering hiring bonuses, as well as indemnities, golden parachutes, notice periods, in the event of early termination of the contractual relation between the Company and executive director. Include any non-competition, exclusivity, permanence, loyalty, and post-contractual non-competition agreements or pacts.**

**Describe the conditions set forth in executive director contracts**

Note that Lar España did not have any executive directors in 2018.

**A.8 Supplementary income paid to board members arising from other services provided apart from those inherent to the position.**

**Describe supplementary remuneration**

In 2018, the Lar España board members did not provide any services not inherent to their positions.

**A.9 Any severance packages agreed or paid for termination of board member functions. State any compensation in the form of advances, loans, and guarantees granted, indicating interest rate, basic characteristics, and amounts repaid, as well as commitments assumed in the form of guarantees.**

**Advances, loans, and guarantees provided**

In 2018, Lar España board members did not avail themselves of any advances, loans, or guarantees.

**A.10 Key characteristics of remuneration in kind.**

**Describe remuneration in kind.**

In 2018, Lar España board members did not avail themselves of any remuneration in kind.

- A.11 Compensation paid to board members arising from payments by the listed company to a third-party entity to which they currently provide service, when payments are designed as remuneration for services rendered to the company.**

**Compensation paid to board members arising from payments by virtue of payments made by the listed company to a third-party entity in which the board member provides services.**

In 2018, no Lar España directors earned compensation by virtue of payments made by the listed company to a third-party entity in which the board members provide services.

- A.12 Any type of remuneration other than the abovementioned, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its issuing would detract from a true and fair view of the total remuneration received by the director.**

**Describe other items of remuneration**

During 2018, no Lar España board members were remunerated through any other items apart from the abovementioned.

- A.13 Actions adopted by the Company related to its remuneration policy to reduce its long-term exposure to excessive risk, and adjust it to the objectives, value, and interests, to include the following, where appropriate: measures in place to ensure that its remuneration policies are in line with the Company's long-term results, measures establishing a sufficient balance between fixed and variable components, with regard to personnel categories whose professional activities may have material repercussions on the entity's risk profile, collection formulae or clauses designed for claiming the repayment of items of variable remuneration based on results, when the components in question were paid in accordance with data subsequently and manifestly proven to be inaccurate, as well as any measures established to avoid conflicts of interest, where applicable.**

**Actions established to reduce risk**

Within the limits established in the company's Articles of Association and remuneration policy, the Board of Directors shall strive to ensure that director remuneration is established taking into account the dedication, qualifications and



the level of responsibility assigned to the role as well as the experience, duties and tasks performed by each director. In addition, the remuneration should keep a balance between being competitive in the market and internal equity. The remuneration regime established must be designed to promote the long-term profitability, talent attraction and retention as well as long-term sustainability of the company and inject the safeguards needed to prevent the assumption of too much risk or the reward of adverse results.

Moreover, Lar España's remuneration regime does not contemplate any performance-based pay, therefore eliminating the biggest source of remuneration-related risks.

## **B** REMUNERATION POLICIES FORESEEN FOR UPCOMING YEARS

Repealed

## **C** OVERALL SUMMARY OF REMUNERATION POLICY APPROVAL PROCESS DURING YEAR ENDED

### **C.1 Summary of chief characteristics of remuneration structure and concepts applied during the year ended arising in the breakdown of individual compensation accrued by each board member reflected in Section D of this report, as well as a summary of decisions made by the Board of Directors to apply them.**

#### **Remuneration policy structure and concepts applied during the year**

As detailed above, as a result of approval of the remuneration policy at the Annual General Meeting of April 2018, the main policy characteristics and concepts applied during the last fiscal year correspond to the general remuneration policy principles outlined in section A of this report.

- Apart from proprietary directors, who are not compensated in any way, Lar España's Board of Directors earn a fixed payment of 70,000 euros per annum. The Chairman earns an additional 55,000 of the remuneration paid to the remaining Board members (a total of 125,000 euros annually).
- Board members serving on any of the Committees will be compensated with an additional 15,000 euros per year for participating in them. The President of the Audit and Control Committee will earn an additional 7,500 euros annually (a total of 22,500 euros annually) and the President of the Appointments and Remuneration Committee an additional 2,000 euros (a total of 17,000 euros annually).
- Lastly, the members of the Board who, at the appointment of Lar España, hold positions on the boards of company investees, may receive additional fixed remuneration for attending those board meetings in the amount of 15,000 euros per annum.
- Lar España also reimburses its Board members for any travel expenses corresponding to their participation on the Board and Committees.

- The remuneration policy of Lar España includes, according to the circumstances and the composition, at the time of its approval, in 2018, a maximum annual amount to satisfy all the directors of 530,000 euros.
- All principles described previously, have been strictly upheld, having received, all Independent Directors, the remuneration established by the Policy for belonging to the Board its related committees or positions held in Group subsidiaries.

D

BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH BOARD MEMBER

<b>Name</b>	<b>Type</b>	<b>2018 accrual period</b>
José Luís del Valle	Independent Director and Chairman	January-December 2018
Pedro Luis Uriarte	Independent Board Member	January-October 2018
Leticia Iglesias	Independent Board Member	New Appointment (October-December 2018)
Roger M. Cooke	Independent Board Member	January-December 2018
Alec Emmott	Independent Board Member	January-December 2018
Miguel Pereda	Proprietary director	January-December 2018
Isabel Aguilera	Independent Board Member	January-December 2018
Laurent Luccioni	Proprietary Director	January-December 2018

**D.1 Individualized remuneration for each board member (including compensation paid for exercising executive functions) accrued during the year.**

**a) Remuneration accrued in the reporting Company:**

**i. Remuneration in cash (in thousands of euros)**

<b>Name</b>	<b>Salaries</b>	<b>Fixed compensation</b>	<b>Travel expenses</b>	<b>Short-term employee benefits</b>	<b>Long-term employee benefits</b>	<b>Remuneration for membership of Board Committees</b>	<b>Termination benefits</b>	<b>Travel expenses + others*</b>	<b>Total 2018</b>	<b>Total 2017</b>
José Luis del Valle	0	125	0	0	0	15	0	0	140	105
Pedro Luis Uriarte	0	55	0	0	0	18	0	0	73	75
Roger M. Cooke	0	70	0	0	0	17	0	1	88	76
Alec Emmott	0	70	0	0	0	15	0	2	87	80

- ii. Share-based employee benefits**
- iii. Describe long-term savings schemes**

Miguel Pereda	0	0	0	0	0	0	0	0	0	0
Isabel Aguilera	0	70	0	0	0	15	0	0	85	44
Laurent Luccioni	0	0	0	0	0	0	0	12	12	0
Leticia Iglesias	0	15	0	0	0	4	0	0	19	NA

**b) Remuneration accrued by Company board members arising from their membership on other Group Boards:**

**i. Remuneration in cash (in thousands of euros)**

<b>Name</b>	<b>Salaries</b>	<b>Fixed compensation</b>	<b>Travel expenses</b>	<b>Short-term employee benefits</b>	<b>Long-term employee benefits</b>	<b>Remuneration for membership in Board Committees</b>	<b>Termination benefits</b>	<b>Other items</b>	<b>Total 2018</b>	<b>Total 2017</b>
José Luís del Valle	0	0	0	0	0	0	0	0	0	0
Pedro Luis Uriarte	0	0	0	0	0	0	0	0	0	0
Roger M. Cooke	0	15	0	0	0	0	0	0	15	15
Alec Emmott	0	0	0	0	0	0	0	0	0	0
Miguel Pereda	0	0	0	0	0	0	0	0	0	0
Isabel Aguilera	0	0	0	0	0	0	0	0	0	0
Laurent Luccioni	0	0	0	0	0	0	0	0	0	0
Leticia Iglesias	0	0	0	0	0	0	0	0	0	0

**ii. Share-based employee benefits**

**iii. Describe long-term savings schemes**

**c) Summary of remuneration (in thousands of euros)**

**This should include the amounts corresponding to all remuneration concepts accrued by the board member included herein, in thousands of euros. Contributions made or amounts granted for long-term Savings Plans:**

Name	Remuneration accrued in the Company				Remuneration accrued in Group companies				Totals		
	Total compensation paid in cash	Number of shares granted	Gross profit from exercised options	Total 2018	Total compensation paid in cash	Number of shares granted	Gross profit from exercised options	Total 2018 Group	Total 2018	Total 2017	Contributions to savings schemes during the year
José Luís del Valle	140	0	0	140	0	0	0	0	140	105	0
Pedro Luis Uriarte	73	0	0	73	0	0	0	0	73	75	0
Roger M. Cooke	88	0	0	88	15	0	0	15	103	91	0
Alec Emmott	87	0	0	87	0	0	0	0	87	80	0
Miguel Pereda	0	0	0	0	0	0	0	0	0	0	0
Isabel Aguilera	85	0	0	85	0	0	0	0	85	44	0
Laurent Luccioni	12	0	0	0	0	0	0	0	12	0	0
Leticia Iglesias	19	0	0	19	0	0	0	0	19	NA	0

**D.2 The relationship between remuneration earned by board members and other entity performance measures, including how changes in company performance might have influence changes in board member remuneration.**

In 2018, none of Lar España's directors received any variable remuneration so that there is no bearing between the remuneration received by the members of the Board of Directors and the company's earnings or other performance benchmarks.

**D.3 Results on the General Shareholders' advisory vote on the annual report on directors' remuneration from the previous report, indicating number negative votes, where applicable:**

On April 19, 2018, the 2017 annual report on directors' compensation was submitted to an advisory vote during the General Shareholders Meeting as the 9<sup>th</sup> item of the Agenda, with the following outcome:

	<b>Number</b>	<b>% of Total</b>
<b>Total votes</b>	68.853.476	74.3365

	<b>Number</b>	<b>% of total</b>
<b>Votes against</b>	182,336	0.2645
<b>Votes in favour</b>	67,900,388	98.5113
<b>Abstentions</b>	770,752	1.1182



E

OTHER INFORMATION OF INTEREST

**Relevant aspects of director remuneration not reflected in the above sections of this report, yet considered necessary for inclusion so as to provide more comprehensive and reasoned information on the Company's remuneration structure, and its practices with regard to compensating its directors.**

This remuneration report was approved by the Company's Board of Directors, on the proposal of the Appointments and Remuneration Committee, at its meeting held on February 26, 2019.

The Remuneration Policy was approved in 2018, based on the circumstances and composition of the Board at the time, the principles and remunerations established in the policy have been strictly complied with.

**Indicate whether any directors voted against or abstained from voting on the approval of this Report.**

Yes  No