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PATRIMONIO
José Ortega y Gasset, 29 5ª
Madrid 28006
A-86971249

NATIONAL STOCK MARKET COMMISSION

Pursuant to Section 228 of the Consolidated Text of the Spanish Securities Market Act ("*Ley de Mercado de Valores*") approved by Royal Legislative Decree 4/2015 ("*Real Decreto Legislativo 4/2015*"), Axiare Patrimonio SOCIMI, S.A. (hereinafter, "**Axiare Patrimonio**") notifies the National Stock Market Commission of the following

RELEVANT FACT

The Board of Directors of Axiare Patrimonio in the meeting held on April 16, 2018 agreed to call the Ordinary General Shareholders' Meeting of Axiare Patrimonio, which will be held in the auditorium of the offices of Cuatrecasas, located at calle de Almagro, 9, 28010-Madrid, on May 25 and 28, 2018, both days at 12:00 CET, on first and second call respectively.

For such purposes, the full text of the call notice is hereby attached, which will be published in the Official Commercial Registry Gazette ("*Boletín Oficial del Registro Mercantil*", "BORME" as per its Spanish initials) and on the Axiare Patrimonio website (www.axiare.es), as well as the proposed resolutions of the Board of Directors in relation to the different items on the agenda of the General Meeting.

In Madrid, on April 20, 2018

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**axiare**
P A T R I M O N I O
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Madrid 28006
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Axiare Patrimonio Socimi, S.A.

Annual Shareholders' Meeting

The Board of Directors of Axiare Patrimonio Socimi, S.A. ("**Axiare**" or the "**Company**") has resolved to call the Annual Shareholders' Meeting which will be held at auditorio of Cuatrecasas, located at calle Almagro, 9, 28010-Madrid on May 25th, 2018, at 12:00, on first call, or, if the necessary quorum is not reached, on second call, in the same place and at the same time on May 28th, 2018 so that the shareholders may deliberate and resolve on the following items on the Agenda:

ITEMS RELATING TO THE FINANCIAL STATEMENTS AND DIRECTORS' MANAGEMENT

First. - Review and approval, if appropriate, of the individual and consolidated financial statements and the individual and consolidated directors' management report of Axiare Patrimonio Socimi, S.A. and its subsidiaries for the financial year closed as of December 31st, 2017.

Second. - Review and approval, if appropriate, of the proposed allocation of profits for the financial year closed as of December 31st, 2017.

Third. - Review and approval, if appropriate, of the management of the Company by the Board of Directors during the financial year closed as of December 31st, 2017.

ITEM RELATING TO APPOINTMENT AND RE-ELECTION OF DIRECTORS

Fourth. - Ratification and, as the case may be, appointment of directors appointed through the cooptation procedure.

4.1: Ratification and, as the case may be, appointment of Mr. Joaquín García-Romanillos Valverde.

4.2: Ratification and, as the case may be, appointment of Mr. Pascual Fernández Martínez.

4.3: Ratification and, as the case may be, appointment of Ms. María Segimón de Manzanos.

4.4: Ratification and, as the case may be, appointment of Mr. Eduardo Trueba Cortés.

4.5: Ratification and, as the case may be, appointment of Mr. Jesús Quijano González.

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ITEM RELATING TO CONSULTATIVE VOTE ON THE REPORT ON DIRECTORS' COMPENSATION

Fifth. - Consultative vote on the Annual Report on Directors' Remuneration for the financial year closed as of December 31st, 2017.

ITEMS RELATING TO MERGER BY ABSORPTION OF THE COMPANY BY INMOBILIARIA COLONIAL, SOCIMI, S.A.

Sixth. - Approval of the Merger Balance Sheet.

Seventh. - Approval of the Draft Terms of the Merger and consequent approval of the Merger.

Eighth. - Application to the special tax regime provided in the Corporate Income Tax Act.

ITEM RELATING TO GENERAL MATTERS

Ninth. - Authorization to the Board of Directors to interpret, rectify, supplement, implement and carry out the resolutions adopted by the Shareholders' Meeting, as well as to substitute the powers it receives from the Shareholders' Meeting, and to delegate powers to cause such resolutions to be notarized.

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Supplement to the call notice: Shareholders representing, at least, three percent of the share capital may request the publication of a supplement to this call notice, including one or more items on the agenda. In the request, the shareholders must indicate, at least, (i) the identity of the shareholder or shareholders who exercise the right, (ii) the number of shares held, or represented, by such shareholder or shareholders, (iii) the proposal of items to be included on the agenda as well as (iv) a justification of the proposed items or, as the case may be, a justified proposal for a resolution.

This right must be exercised by serving duly authenticated notice, which must be received at the registered office of the Company (in Madrid, calle José Ortega y Gasset nº 29, 5th Floor) within five days (5) from publication of this call notice.

Submission of proposed resolutions: Shareholders representing, at least, three percent of the share capital may, within five days (5) after the publication of this call notice, submit reasoned proposals for resolutions on matters already included or which must be included on the agenda of the Shareholders' Meeting, all on the terms set out in article 519.3 of the Capital Companies Law.

Right to attend: Company shareholders who hold one or more shares may attend the Shareholders' Meeting. In order to exercise the right of attendance, shareholders must have registered the shares in their name on the corresponding register of book entries at least five (5) days in advance of the date on which the shareholders' meeting is to be held. This circumstance must be evidenced by means of the relevant attendance, proxy and distance voting card, certificate of authenticity or any other valid means of accreditation admitted by the Company.

The right to attend may be delegated pursuant to the provisions on this matter in the Capital Companies Law, the Bylaws and the Shareholders' Meeting Regulations. Attendance cards will be issued by the Company, subject to evidence of ownership of the shares, or by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) or the entities participating in these systems. The absence of a card may only be replaced by the relevant certificate of authenticity evidencing compliance with the attendance requirements.

The recording of attendance cards will commence one hour prior to the time at which the Shareholders' Meeting is scheduled to be held. For the purposes of identifying the shareholders, at the entrance of the venue where the Shareholders' Meeting is to be

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held, attendees may be asked to evidence their identity by producing their national identity card, foreigner identity card or passport; in the case of corporate shareholders, the attending individual may also be asked to provide documentation evidencing his or her authority to represent the shareholder.

Grant of proxies and voting using means of distance communication: The shareholders entitled to attend may (i) grant a proxy or (ii) cast their vote using means of distance communication before the Shareholders' Meeting is held, pursuant to the provisions of article 25 of the Bylaws and articles 16 and 19 of the Shareholders' Meeting Regulations. In accordance with the foregoing, the Board of Directors has developed the rules established herein, resolving that they will apply to the Shareholders' Meeting to which this call notice refers, as follows:

1. Grant of proxies using means of distance communication.

A. Means of distance communication.

Pursuant to article 522 of the Capital Companies Law, shareholders entitled to attend the Shareholders' Meeting may grant a proxy through electronic means before the meeting is held, in favor of other shareholder or any other physical or legal person. In order to do so, the granting shareholder shall have an electronic signature certificate. The granting of proxies by means of an electronic signature certificate shall be made through the Company's website (www.axiare.es) following the instructions provided in each of the stages of the program designed for this purpose. In order to certify the identity of the shareholders willing to grant a proxy by means of an electronic signature certificate, they will have to access using an electronic signature certificate and follow the instructions provided at "General Ordinary Shareholders' Meeting 2018 / Electronic proxy" at the website. The proxy granted by electronic means shall be granted, at least, before 23:59 p.m. on the seventh (7) day prior to the foreseen date on which the Shareholders' Meeting is to be held on first call. Consequently, said proxy shall be granted before 23:59 p.m. on May 17th 2018. Any proxy granted before the Shareholders' Meeting shall have no effect whenever the granting shareholder attends personally to said meeting. Proxies shall be revoked using the same means by which they were granted.

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To grant their proxy by postal correspondence or an equivalent courier service, the shareholders may submit to the Company a document attesting the proxy, accompanied by the attendance card issued by the Company or entities responsible for keeping the register of entries; they may also complete and sign (i) the attendance card and the proxy issued on paper by the entities participating in Iberclear, that applies in each case, or (ii) the form provided by Axiare , using the mechanism established for the purpose on the Company's website (www.axiare.es) in the Shareholders' Meeting section, and in both cases signing in the section that such card provides for the signature of the proxy-grantor; in the second case (sending of the form provided by Axiare), the certificate evidencing ownership of the shares must also be attached. The duly completed card signed with a handwritten signature (and, as the case may be, the certificate of ownership) must be sent to Axiare (in Madrid, calle José Ortega y Gasset nº 29, 5th Floor) by postal correspondence or an equivalent courier service. In the case of corporate shareholders, a copy of the document evidencing the signatory's sufficient representative authority must be attached. The delivery in person of the proxy at the reception desk of Axiare (in Madrid, calle José Ortega y Gasset nº 29, 5th Floor) will be treated as sending by postal correspondence.

B. Notification of the proxy to the proxy-holder.

Shareholders who grant their proxy by electronic means, postal correspondence or an equivalent courier service must notify the designated proxy-holder of the proxy granted.

If the proxy is granted to Axiare, to a Director and/or the Secretary of the Board of Directors, this notification will be deemed served and accepted by the receipt by Axiare of the physical or electronic card, duly completed and signed.

The person to whom the vote is delegated may only cast it by personally attending the Shareholders' Meeting (and not by means of distance communication).

On the day and at the venue of the Shareholders' Meeting and within the hour immediately prior to that announced for the start of the meeting, the designated proxy-holders must identify themselves by their national identity card, foreigner identity card or passport. In the case of proxies granted by

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corporate shareholders, a copy may be requested of the document evidencing the sufficient representative authority of the signatory of the proxy; likewise, if a legal entity represents one or more shareholders, a document evidencing the sufficient representative authority of the appearing individual may be requested.

2. Voting using means of distance communication.

The Board of Directors has considered that the means of distance communication that are valid for distance voting for the Shareholders' Meeting will be postal correspondence or an equivalent courier service and vote by electronic means.

To cast a distance vote by postal correspondence or an equivalent courier service, shareholders must complete and sign (i) the attendance, proxy and vote card issued on paper by the relevant Iberclear participating entity or (ii) the postal vote card that they may download from the Company's website (using the mechanism established for the purpose on the Company's website (www.axiare.es) in the Shareholders' Meeting section and print it on paper), completing and signing it together with the certificate of ownership of the shares. After completing and signing the card with a handwritten signature, the shareholder must send it to Axiare (in Madrid, calle José Ortega y Gasset nº 29, 5th Floor) by postal correspondence or an equivalent courier service; if the document sent is the form provided by Axiare, the certificate evidencing ownership of the shares must also be sent. In the case of corporate shareholders, a copy of the document evidencing the signatory's sufficient representative authority must be attached. The delivery in person of the vote at the reception desk of Axiare (in Madrid, calle José Ortega y Gasset nº 29, 5th Floor) will be treated as sending by postal correspondence.

To cast a distance vote by electronic means the shareholder shall have an electronic signature certificate. The cast of the vote by electronic means shall be made through the Company's website (www.axiare.es) following the instructions provided in each of the stages of the program designed for this purpose. In order to certify the identity of the shareholders willing to vote by electronic means, they will have to access using an electronic signature certificate and follow the instructions provided at "General Ordinary Shareholders' Meeting 2018 / Electronic vote" at the website. The distance vote shall be casted at least before

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23:59 p.m. on the seventh (7) day prior to the foreseen date on which the Shareholders' Meeting is to be held on first call. Consequently, said distance vote shall be casted before 23:59 p.m. on May 17th 2018. Shareholders casting their vote accordingly shall be considered to be attending the meeting for the purposes of constitution of the Shareholders' Meeting. Thus, proxies granted before said date shall be deemed to be revoked and the ones granted after shall be ignored. The distance vote casted by electronic means shall have no effect whenever the granting shareholder attends physically to the Shareholders' Meeting or sells the shares he/she owns before the seventh (7) day prior to the to the foreseen date on which Shareholders' Meeting is to be held. The Company is entitled to modify, suspend, cancel or restrict the distance voting and proxy mechanisms due to technical or safety reasons. The Company shall not be responsible for the damages resulting from overload, breakdown, line break, connection failure or similar events beyond its control that may temporarily impede the use of the distance voting and proxy mechanisms.

3. Basic rules on distance voting and proxies.

A. Deadline for receipt by Axiare:

The proxy granted by any of the abovementioned means of distance communication, must be received by the Company before 23:59 p.m. of the day before which the Shareholders' Meeting is to be held on first call. Otherwise, the proxy shall be deemed not granted. Notwithstanding the foregoing, intermediaries receiving proxies must notify the Company within seven (7) days prior to that on which the Shareholders' Meeting is to be held, a list showing the identity of each client, the number of shares for which voting rights are exercised on their behalf and voting instructions he has received, if any.

To be valid, and pursuant to the Bylaws and the Shareholders' Meeting Regulations, the Board of Directors has resolved that votes using means of distance communication (regardless of the means used) must be received by Axiare before 23:59 p.m. on the day prior to the foreseen date on which the Shareholders' Meeting is held on first call. After the above deadline, only proxies granted on paper that are submitted to the staff in charge of the register of shareholders on the day and at the venue on which the Shareholders' Meeting is held and within the hour

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immediately prior to that established for the start of the meeting will be admitted.

B. Rules on priority between proxies, voting by distance means and in person at the Shareholders' Meeting:

- a) Personal attendance at the Shareholders' Meeting will constitute the revocation of a vote cast using means of distance communication.
- b) A vote cast by means of distance communication may be rendered void by a subsequent and express revocation performed by the same means used to cast the vote, and by the deadline set for this.
- c) If a shareholder grants several proxies or casts several votes validly by way of a card printed on paper, the last proxy or vote received by Axiare by the stipulated deadline will prevail.
- d) Voting by means of distance communication will render void any written proxy, whether prior, which will be deemed revoked, or subsequent, which will be deemed not granted.

C. Scope of the voting proxy and instructions:

The scope of the proxy will extend to the items on the agenda as well as, unless indicated otherwise, to any other items which, although not envisaged in the agenda of the call notice, may be addressed at the Shareholders' Meeting. Voting proxies shall state the direction in which the proxy-holder will vote. In the absence of precise voting instructions, or if doubts arise as to the scope of the proxy, it will be deemed that (i) the vote is affirmative for all of the proposals submitted by the Board of Directors, except for the proposed resolution regarding the third item of the agenda, where it will be deemed abstention; and (ii) it also extends to the other items not envisaged in the agenda of the call notice but which may be addressed at the Shareholders' Meeting, because the applicable legislation so permits, with respect to which the proxy-holder will abstain from voting, unless the proxy-holder has reason to believe that voting for or against the proposals is more favorable to the interests of the proxy-grantor.

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D. Recipients of the proxies:

Proxies simply granted to Axiare, or those which do not indicate the person to whom they are granted, will be deemed granted to the Chairman of the Board of Directors or, in the absence of the Chairman at the Shareholders' Meeting, to whoever stands in for him at such Meeting.

In cases of (express or implied) proxies to the Chairman of the Board, as well as in cases of express proxies to a director, in the event of any item where the proxy-holder may be in a situation of conflict of interest, and if precise instructions have not been issued by the proxy-grantor in the proxy document, the proxy will be deemed granted, for the specific matter in question, to the Secretary of the Board of Directors.

For these purposes, as well as for the purposes established in the applicable legislation, shareholders are informed that:

- (i) in the event that because the applicable legislation so permits, one or more of the proposals referred to in article 526.1. of the Capital Companies Law are submitted to the Shareholders' Meeting, the directors affected by those proposals will be in a situation of conflict of interest with respect to voting on them;
- (ii) The Chairman of the Board of Directors and other directors may be in a situation of conflict of interest with respect to item fourth of the agenda.

E. Other provisions:

- a) The disposal of shares whose ownership confers the right to vote of which Axiare is aware will render void the vote and proxy granted.
- b) As noted above, the Shareholders' Meeting may be attended by the Company shareholders who hold one or more shares and have registered those shares in their name on the relevant register of book entries, at least, five (5) days before that on which the Shareholders' Meeting is to be held. To validly exercise the right

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to vote using means of distance communication, this condition must be fulfilled at the time of the casting of the vote.

- c) Axiare shall make the standard form for proxy and distance voting cards available for shareholders on the Company's website (www.axiare.es).
- d) Shareholders entitled to attend who cast their vote using distance means in accordance with the provisions of this section will be considered present for the purposes of the constitution of the Shareholders' Meeting.

F. Technical incidents:

Axiare will not be responsible for any damage that may be caused to the shareholder as a result of the malfunction of the postal service or of the courier service or any other incident of the same or similar nature, beyond the control of Axiare, which prevents the use of the distance voting and proxy mechanisms.

G. Additional information:

For more information on proxies and voting using means of distance communication, shareholders may (i) consult the Company's website (www.axiare.es); (ii) write to the email address investors@axiare.es; or (iii) call the Shareholder Information Office at the phone number + 34 91 431 93 17.

Right to information: Pursuant to the provisions of the applicable legislation, as from the date of publication of the call notice, the shareholders will be entitled to examine at the registered office, and to request the immediate and free-of-charge delivery or sending of, (i) the individual financial statements and the individual directors' management report of Axiare for financial year closed as of December 31st, 2017, as well as the related audit report; (ii) the consolidated financial statements and the consolidated Director's management report of Axiare for financial year closed as of December 31st, 2017, as well as the related audit report; (iii) the explanatory reports issued by the Board of Directors on item fourth of the agenda; (iv) the Annual Report on Directors' Remuneration, which will be submitted

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to a consultative vote; (v) the Annual Corporate Governance Report for the year closed as of December 31st, 2017, (vi) the report of the Board of Directors and the report of the Independent Expert on share capital increase without rights resolved by the board of directors on March 7th, 2017, as well as any other documentation that on the occasion of the holding of this Shareholders' Meeting must be made available to the shareholders at the registered office and/or be sent immediately and free of charge if requested. All of the above-mentioned documents may also be consulted and downloaded on the Company's website (www.axiare.es).

Likewise, in connection with items sixth, seventh and eight of the agenda, in the context of the merger by absorption of the Company by Inmobiliaria Colonial, Socimi, S.A. ("**Colonial**") (the "**Merger**"), and pursuant to the provisions of article 39 and 40.2 of the Structural Modifications Act, the following documents are inserted on the Company's website (www.axiare.es), with the possibility of downloading and printing them. From the date of publication of the call notice, shareholders and workers representatives may also examine such documents at the registered office, as well as request the free delivery of such documents.

- 1) The Common Draft Terms of the Merger of Axiare and Colonial.
- 2) The reports of administrators of Axiare and Colonial on the Common Draft Terms of the Merger.
- 3) The report of the independent expert appointed by the Commercial Registry of Madrid required by articles 34 and 35 of the Structural Modifications Act.
- 4) The individual and consolidated financial statements and the directors' management reports of Axiare and Colonial for the years 2015, 2016 and 2017, alongside with the corresponding auditor reports. The Axiare and Colonial balances corresponding to the individual financial statements closed as of December 31, 2017 will be used as merger balances.
- 5) The current bylaws of Axiare and Colonial.
- 6) The current bylaws of Colonial indicating the amendments to be included as a consequence of the bylaws.

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- 7) The identity of the administrators of Axiare and Colonial and the date from which they hold their respective positions.

The above documents related to the Merger, with the exception of the Common Draft Terms of the Merger, are inserted on the Company's Website (www.axiare.es) from April 20, 2018. For its part, the Common Draft Terms of the Merger were inserted, with the possibility of being downloaded and printed, on the aforementioned Company's Website and on the Colonial's Website (www.inmocolonial.com) on April 10, 2018.

In addition, and notwithstanding any other rights to information granted by the applicable legislation, up until the fifth day (5th) prior to that on which the Shareholders' Meeting is scheduled to be held, shareholders may ask the directors, regarding the items included on the agenda, for the information and clarifications they consider necessary, or submit in writing the questions they consider pertinent. Likewise, and also up to the fifth day (5th) prior to the day on which the Shareholders' Meeting is scheduled to be held, shareholders may ask the directors, in writing, for the clarifications they consider necessary regarding the information accessible to the public that Axiare has provided to the Spanish National Securities Market Commission regarding the audit report since the last Shareholders' Meeting. In this regards, shareholders may also ask the directors, orally and while the Shareholders' Meeting is being held, for the information or clarifications they see fit.

Shareholders wishing to exercise their right to information may do so by delivering or sending by postal correspondence or an equivalent courier services to the registered office (in Madrid, calle José Ortega y Gasset nº 29, 5th Floor) a written request with a handwritten signature and attaching a photocopy of a valid personal identity document; the request must state the address to which the requesting shareholder wants the information to be sent (for which purpose an e-mail address may be included).

For the above purposes, and pursuant to article 11 quáter of the Capital Companies Law, to answer any query or request by electronic means, such means will be deemed accepted for the answer if, in the context of the query, the shareholder has included an e-mail address and has not expressly rejected the use of electronic means for the sending of the query or request. If it has been rejected, the answer or information will be sent by post to the address indicated in the communication

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(a detail which will be mandatory if the shareholder does not accept sending by electronic means or does not include an e-mail address).

Additional information and documentation available on the Company's website (www.axiare.es): As from the date of the call notice and until the Shareholders' Meeting is held, the following documents, among others, will be available for consultation, downloading and printing on the Company's website (www.axiare.es):

- 1) The full text of the call notice of the Shareholders' Meeting;
- 2) The total number of shares and voting rights on the date of the call notice;
- 3) The consolidated financial statements and the consolidated directors' management report of Axiare, and its subsidiaries for the year closed as of December 31st, 2017, with the related audit report;
- 4) The responsibility statement issued by the directors pursuant to article 118 of the Spanish Securities Market Act regarding the financial statements;
- 5) The full texts of the proposed resolutions relating to each and every one of the items on the agenda; the proposed resolutions submitted by the shareholders will also be included as and when they are received;
- 6) The identity, *Curriculum Vitae* and category of the current Directors proposed for ratification and, as the case may be, appointment, and the justifying reports issued by the Board of Directors on the suitability of the proposal, pursuant to article 529 decies.
- 7) The Annual Corporate Governance Report for the year closed as of December 31st, 2017;
- 8) The Annual Report regarding Director's compensations regarding the year closed as of December 31st, 2017;
- 9) The rules applicable to proxies and voting using means of distance communication;
- 10) The standard form for proxy and distance voting cards;

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- 11) The current revised texts of the Shareholders' Meeting Regulations, Regulations of the Board of Directors and other documents comprising the corporate governance system;
- 12) The rules on the functioning of the Shareholders' Electronic Forum;
- 13) A document setting out the right to information available to shareholders.

The shareholders are entitled to examine the documents above detailed at the registered office and to request a copy of said documents to be given or delivered to them.

It is placed on record that, although the additional information and documentation available on the Company's website (www.axiare.es) include the proposed resolutions that are submitted by the Board of Directors to the Shareholders' Meeting on each of the items on the agenda, the Board of Directors reserves the right to amend the contents of those proposals on justified grounds. In such case, this circumstance would be reported as soon as practicable by way of the appropriate material event, thereby providing full and complete disclosure of the amendments.

For any clarification on the delivery of documentation and other aspects of this call notice, shareholders may address their request to the offices of Axiare Patrimonio, SOCIMI, S.A. (Madrid, calle José Ortega y Gasset nº 29, 5th Floor), the shareholder's service at the phone number + 34 91 431 93 17 Monday to Friday, from 9:00 a.m. to 7:00 p.m., or the e-mail address investors@axiare.es.

Minimum mentions of the Common Draft Terms of the Merger by absorption of Axiare by Colonial: Pursuant to the provisions of article 40.2 of the Structural Modifications Act, the minimum mentions of the Common Draft Terms of the Merger by absorption of Axiare by Colonial that are legally required are hereby included, being the full content of the Common Draft Terms of the Merger available on the Company's Website (www.axiare.es) under the terms indicated.

1. Identification of the companies participating in the Merger.

Inmobiliaria Colonial, SOCIMI, S.A. is a Spanish public liability company ("sociedad anónima"), with registered office in Madrid, Paseo de la Castellana, 52, 5ª planta,

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post code 28046, with tax number (NIF) A-28027399 and legal entity identifier (LEI) 95980020140005007414. Colonial is registered in the Commercial Registry of Madrid, in volume 1698, page 94, sheet number M-30822, 275th entry.

Axiare Patrimonio SOCIMI, S.A. is a Spanish public liability company ("sociedad anónima"), with registered office in Madrid, Calle José Ortega y Gasset, 29, 5ª planta, postcode 28006, with tax number (NIF) A-86971249 and legal entity identifier (LEI) 959800A9PB7NMEC9M863. Axiare is registered in the Commercial Registry of Madrid, in volume 32158, page 171, section 8, sheet number M-578698.

2. Merger exchange ratio and exchange procedure.

The merger exchange ratio of Axiare shares for Colonial shares has been determined on the basis of the real value of the assets of both entities. In accordance with this criterion, the resulting exchange ratio is 1.8554 Colonial shares of EUR 2.50 par value for each Axiare share of EUR 10 par value, with no provision for any additional cash compensation.

The exchange ratio has been agreed and calculated on the basis of the methodologies that are explained and justified in the Common Draft Terms of the Merger and in the reports that the Boards of Directors of Axiare and Colonial prepared and signed in Madrid on April 16, 2018 and the April 19, 2018, respectively, and that have been inserted in the Company's Website.

Colonial will exchange the Axiare shares in accordance with the exchange ratio by delivering newly issued ordinary shares.

In this regard, Colonial will increase its share capital by the amount necessary to service the exchange by issuing and delivering ordinary shares of Colonial. The subscription of the new shares of Colonial will be reserved for Axiare shareholders and, as a result, there will be no pre-emptive subscription rights for Colonial's shareholders, in accordance with the provisions of Article 304.2 of the revised text of Capital Companies Law.

Pursuant to the provisions of article 26 of the Structural Modifications Act, the shares of Axiare of which Colonial is the owner or, as the case may be, the treasury stock held by Axiare, will not be exchanged.

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The exchange of Axiare shares for Colonial shares would be executed once the following facts have occurred: (i) the approval of the Merger by the general shareholders' meetings of Colonial and Axiare; (ii) registration with the CNMV of the "document equivalent" to the prospectus in compliance with the provisions of Royal Decree 1310/2005, of 4 November, partially implementing the Securities Market Law 24/1988, of 28 July, on the admission of securities to trading on official secondary markets, public offers for sale or subscription and the prospectus required for such purposes; (iii) the execution of the public deed of merger and capital increase of Colonial; and (iv) the registration of said public deed in the Commercial Registry.

Since the shares of Colonial and Axiare are represented by registered book entries, the exchange of Axiare shares for Colonial shares will be executed through the corresponding depository entities, in accordance with Royal Decree 878/2015, of 2 October, on registration, clearing and settlement of transferable securities represented by book entries, on the legal framework for central securities depositories and central counterparties and on transparency requirements for issuers of securities admitted to trading on an official secondary market and in accordance with Article 117 of the Capital Companies Law. As a result of the Merger, all of Axiare's shares would be redeemed.

Axiare shareholders who hold a number of shares which do not entitle them to a whole number of Colonial shares under the exchange ratio may acquire or transfer shares in order that the resulting shares may entitle them to receive a whole number of Colonial shares under the exchange ratio. The decision to buy or sell shares for this purpose shall be taken by each shareholder individually.

Notwithstanding the foregoing, Colonial and Axiare may appoint an odd-lot agent to act as counterparty for the purchase of remainders or odd lots. In this way, any Axiare shareholder who, according to the exchange ratio and taking into account the number of Axiare shares held, was not entitled to receive a full number of Colonial shares, will transfer his or her remaining Axiare shares to the Odd-lot Agent, who, in turn, will pay him or her the cash value.

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3. Ancillary provisions, special rights and securities other than equity instruments.

Axiare has included Article 9 ("*Ancillary Provisions* ") and Article 52 ("*Special rules for the distribution of dividends*") in its Bylaws. These articles impose a series of duties on their shareholders (communication and compensation) in order to enable Axiare to comply with the special tax regime for SOCIMI and to be compensated for the damages that may be caused by the taxation of certain shareholders.

Colonial, in its capacity as a SOCIMI, and for the same purposes of complying with the special tax regime of SOCIMI, as well as being compensated for the damages that may be caused by the taxation of certain shareholders, has included Article 8 bis. ("*Ancillary provisions*") and Article 37a. ("*Special rules for the distribution of dividends*") in its Company Bylaws. These bylaws similar to those contained in Axiare's Company Bylaws. Therefore, no impact is foreseen and no compensation is to be granted for this concept.

Notwithstanding the foregoing, as a result of Colonial's share in *Société Foncière Lyonnaise ("SFL")*, and to enable Colonial to comply with the special tax regime of SOCIMIs, and to be compensated for any damage that might be caused by the taxation of certain shareholders, Colonial's Company Bylaws lay down obligations for shareholders that are not natural persons and owners of at least 10% of the share capital. Taking into account the fact that there are no shareholders in Axiare who own shares that, if the Merger is approved and according to the exchange ratio established, will own a share in Colonial larger than 10% of the company's share capital (there would be no such shareholders even in the event all Axiare shares not held by Colonial were held by a single shareholder), the stipulations contained in Colonial's Company Bylaws as a result of its share in SFL will have no impact for the shareholders of the companies being merged, and no compensation will be granted for this concept. The foregoing is without prejudice to the fact that Axiare shareholders have been able to transfer their shareholding in the framework of the takeover bid made by Colonial for all of Axiare's shares.

There are no special shares or holders of securities other than equity instruments. Consequently, no special rights are granted and no options are offered.

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4. Advantages allocated to independent experts and directors.

No advantages will be allocated to the independent expert who issues the corresponding report on the Common Draft Terms of the Merger or to the directors of the companies participating in the Merger.

5. Date on which the new shares delivered to service the exchange will entitle recipients to a share of company profits.

The new Colonial shares issued to service the exchange of Axiare shares will entitle the recipient to a share of company profits from the date of entry of the public merger deed in the Commercial Registry.

6. Effective accounting date of the Merger.

The effective accounting date of the Merger shall be 2 February 2018.

7. Resulting company Bylaws after the Merger.

The Company Bylaws resulting from the Merger would be those of Colonial. These Bylaws would be amended solely for the purpose of reflecting the new share capital of Colonial resulting from the capital increase to be carried out to service the exchange of Axiare shares for newly issued shares of Colonial.

8. Valuation of assets and liabilities of Axiare.

The assets and liabilities of which the equity of Axiare is comprised and which will be transferred en-bloc and by universal succession to Colonial, will be measured in accounting pursuant to the General Chart of Accounts and, in particular, its rules 19 and 21.

9. Date of the accounts used.

In order to establish the conditions in which the Merger is being carried out, Colonial and Axiare' financial statements as of 31 December 2017 have been used.

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PricewaterhouseCoopers Auditores, S.L, audited the individual and consolidated financial statements of Colonial and Axiare for that year.

The 2017 individual and consolidated financial statements of Colonial were authorised for issue by the Board of Directors of Colonial on 22 February 2018, and the corresponding audit reports were issued on 23 February 2018. Similarly, the 2017 individual and consolidated financial statements of Axiare were authorised for issue by the Board of Directors of Axiare on 14 February 2018, and the corresponding audit reports were issued on 16 February 2018.

In accordance with article 36 of the Structural Modifications Act, the merger balance sheet of Colonial shall be the individual balance sheet at 31 December 2017, which forms part of its duly audited 2017 financial statements, and which will be submitted for the approval of the General Meeting of Shareholders of Colonial that is to decide on the merger.

The merger balance sheet of Axiare shall be the individual balance sheet at 31 December 2017, which forms part of its duly audited 2017 financial statements, and which will be submitted for the approval of the General Meeting of Shareholders of Axiare that is to decide on the merger.

10. Consequences of the Merger for employees.

In accordance with Article 44 of the revised text of the Workers' Statute, approved by Royal Legislative Decree 2/2015, of 23 October, regulating corporate succession, Colonial would be subrogated to Axiare's labour and social security rights and obligations.

Colonial and Axiare will fulfil their obligations of information and, as required, consultation with the legal representatives of the employees of each, pursuant to the provisions of labour regulations. In addition, the appropriate public bodies will be notified of the planned Merger, particularly the General Treasury of Social Security.

Following execution of the Merger, the labour rights of the employees of the participating companies shall be respected in accordance with the law. In like manner, the two entities are to undergo operational and functional integration, for which purpose Colonial is presently analysing the labour structure resulting from the same. In any event, certain redundancies and inconsistencies may arise between the

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jobs in the two organisations. Hence, Colonial may implement in the coming months the necessary legal procedure with the aim of correcting them. In any event, Colonial will assess and propose measures designed to retain talent in order to maximise the value of the group resulting from integration with Axiare.

11. Gender impact.

No gender impact is expected in Colonial resulting from the Merger.

12. Impact on social responsibility.

The Merger is not expected to have any impact on Colonial's social responsibility policy, as set out in the Colonial Group's "Corporate Social Responsibility Policy", which is available on Colonial's corporate website (www.inmocolonial.com).

Shareholders' Electronic Forum: Pursuant to the current legislation, Axiare has set up on its corporate website (www.axiare.es) a Shareholders' Electronic Forum, the use of which will comply with its legal purpose and the operating safeguards and rules established by Axiare, which are set out on the Company's website (www.axiare.es), which may be accessed by duly authenticated shareholders.

The Forum is not a means of communication between the Company and its shareholders and is enabled only for the purpose of facilitating communication between shareholders of Axiare, because of the Annual General Meeting.

Vote of the proposed resolutions: Regarding the third item of the agenda, it is reported that pursuant to the provisions of article 27.6 of the Regulations of the General Shareholders' Meeting, it is the intention of the Chairman of the Board of Directors to use an express voting system, counting as votes in favor and votes against only those that have specifically expressed in one way or another.

Data processing: The personal data that the shareholders send to Axiare to exercise their rights of attendance, proxy and vote at the Shareholders' Meeting, to participate in the Shareholders' Electronic Forum, as well as to fulfill any other legal obligations arising from the call notice or holding of the Shareholders' Meeting, or those data (specifically, name and surnames, and information on the shares of which they are owners) which are furnished by banks and broker-dealers and securities brokers where

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the shareholders have deposited their shares, through the entity legally authorized to keep the register of book entries, Iberclear, will be processed by Axiare Patrimonio Socimi, S.A., with registered address at calle José Ortega y Gasset nº 29, 5th Floor, for the purpose of managing the development, fulfillment and control of the shareholder relationship existing in relation to the call notice and holding of the Shareholders' Meeting. The legal basis of the treatment is the legal relationship derived from the shareholding previously described, being, therefore, the treatment of the personal data necessary for the aforementioned purposes. Said information will be kept as long as the shareholders hold such condition, being subsequently retained, duly blocked, for the period legally established.

If the attendance or proxy card includes personal data relating to individuals other than the holder, the shareholder must have the consent of the data subjects for the disclosure of the personal data to Axiare Patrimonio Socimi, S.A. and inform them of the aspects relating to personal data processing indicated in this call notice. The data subjects may exercise, at any moment, pursuant to the provisions of the current legislation in force, their rights of access, rectification or cancellation, by sending a notice identified with the reference "*Personal Data Processing*", clearly indicating the right they wish to exercise and accompanying a National Identity Document or similar identification document providing the identity of the shareholder in question, to the following address: Axiare Patrimonio Socimi, S.A., Madrid, calle José Ortega y Gasset nº 29, 5th Floor.

In any case, they may submit a claim to the Spanish Data Protection Agency.

In Madrid, on April 20, 2018.

Miguel Trias Sagnier
Secretary of the Board of Directors of
AXIARE PATRIMONIO SOCIMI, S.A.

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DRAFT RESOLUTIONS CONCERNING ITEM FIRST OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Review and approval, if appropriate, of the individual and consolidated financial statements and the individual and consolidated directors' management report of Axiare Patrimonio Socimi, S.A. and its subsidiaries for the financial year closed as of December 31st, 2017.

PROPOSED RESOLUTION:

To approve the individual and consolidated financial statements and the individual and consolidated directors' management report of Axiare Patrimonio Socimi, S.A. and its subsidiaries for the financial year closed as of December 31st, 2017, as they were drawn up by the Board of Directors on February 14th, 2018.

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DRAFT RESOLUTIONS CONCERNING ITEM SECOND OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Review and approval, if appropriate, of the proposed allocation of profits for the financial year closed as of December 31st, 2017.

PROPOSED RESOLUTION:

To approve, in accordance with the proposal from the Board of Directors, the allocation of profits for the financial year closed as of December 31st, 2017, amounting to €17,615,000, in the following terms:

- *The amount of €1,762,000 will be transferred to the legal reserve (10% of the profit).*
- *The amount of €15,853,000 will be allocated to the payment of dividends (100% of the distributable profit).*

It is expressly stated that on November 14th, 2017, the Board of Directors approved the distribution of an interim dividend for the financial year 2017, of €0.14 per share, which amounted to €10,946,000, so the distributable dividend against the profit for the year ended as of December 31st, 2017 is €4,907,000.

Payment of the abovementioned dividends is expected to take place on May 30th, 2018.

The distribution of said dividends will be made through the participating entities in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" (IBERCLEAR). For that purpose, the Board of Directors is authorized, with express powers of substitution, to set the exact date of payment of the dividend, to designate the entity to act as paying agent and to perform as many other actions as may be necessary or convenient for the effective completion of the distribution.

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DRAFT RESOLUTIONS CONCERNING ITEM THIRD OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Review and approval, if appropriate, of the management of the Company by the Board of Directors during the financial year closed as of December 31st, 2017.

PROPOSED RESOLUTION:

To approve the management of the Company by the Board of Directors of Axiare Patrimonio Socimi, S.A. during the financial year closed as of December 31st, 2017.

This proposed resolution is made so that the shareholders may express their vote on it in the manner they consider appropriate. However, since (i) none of the current members of the Board of Directors proposing this resolution was a member of the Board of Directors during the financial year in respect of which its management of the Company is submitted for approval and (ii) the current Board of Directors does not know for certain whether the shareholders should vote for or against this proposal, shareholders are informed that (a) unlike the other items in the agenda, where the Board of Directors' voting proposal is that shareholders should vote affirmatively, the voting proposal made by the Board regarding this item is not affirmative nor negative, and (b) proxies and distance voting systems which do not contain express voting instructions, in respect of this item only, shall be deemed abstentions.

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DRAFT RESOLUTIONS CONCERNING ITEM FOURTH OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Ratification and, as the case may be, appointment of directors appointed through the cooption procedure.

4.1: Ratification and, as the case may be, appointment of Mr. Joaquín García-Romanillos Valverde.

PROPOSED RESOLUTION:

To ratify the appointment by cooption of Mr. Joaquín García-Romanillos Valverde, whose details are those registered with the Commercial Registry of Madrid, as director of Axiare Patrimonio Socimi, S.A., with the category of independent. The aforementioned appointment was made at the proposal of the Nomination and Remuneration Committee and following the justifying report from the Board of Directors.

The report on this proposal and the biographical profile of Mr. García-Romanillos Valverde are available to the shareholders on the Company's website.

4.2: Ratification and, as the case may be, appointment of Mr. Pascual Fernández Martínez.

PROPOSED RESOLUTION:

To ratify the appointment by cooption of Mr. Pascual Fernández Martínez, whose details are those registered with the Commercial Registry of Madrid, as director of Axiare Patrimonio Socimi, S.A., with the category of independent. The aforementioned appointment was made at the proposal of the Nomination and Remuneration Committee and following the justifying report from the Board of Directors.

The report on this proposal and the biographical profile of Mr. Fernández Martínez are available to the shareholders on the Company's website.

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4.3: Ratification and, as the case may be, appointment of Ms. María Segimón de Manzanos.

PROPOSED RESOLUTION:

To ratify the appointment by cooption of Ms. María Segimón de Manzanos, whose details are those registered with the Commercial Registry of Madrid, as director of Axiare Patrimonio Socimi, S.A., with the category of independent. The aforementioned appointment was made at the proposal of the Nomination and Remuneration Committee and following the justifying report from the Board of Directors.

The report on this proposal and the biographical profile of Ms. Segimón de Manzanos are available to the shareholders on the Company's website.

4.4: Ratification and, as the case may be, appointment of Mr. Eduardo Trueba Cortés.

PROPOSED RESOLUTION:

To ratify the appointment by cooption of Mr. Eduardo Trueba Cortés, whose details are those registered with the Commercial Registry of Madrid, as director of Axiare Patrimonio Socimi, S.A., with the category of independent. The aforementioned appointment was made at the proposal of the Nomination and Remuneration Committee and following the justifying report from the Board of Directors.

The report on this proposal and the biographical profile of Mr. Trueba Cortés are available to the shareholders on the Company's website.

4.5: Ratification and, as the case may be, appointment of Mr. Jesús Quijano González.

PROPOSED RESOLUTION:

To ratify the appointment by cooption of Mr. Jesús Quijano González, whose details are those registered with the Commercial Registry of Madrid, as director of Axiare Patrimonio Socimi, S.A., with the category of independent. The aforementioned appointment was made at the proposal of the Nomination and

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Remuneration Committee and following the justifying report from the Board of Directors.

The report on this proposal and the biographical profile of Mr. Quijano González are available to the shareholders on the Company's website.

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DRAFT RESOLUTIONS CONCERNING ITEM FIFTH OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Consultative vote on the Annual Report on Directors' Remuneration for the financial year closed as of December 31st, 2017.

PROPOSED RESOLUTION:

To vote favorably, on a consultative basis, on the Annual Report on Directors' Remuneration for the financial year closed as of December 31st, 2017, which was approved by the Board of Directors on February 14th, 2018.

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DRAFT RESOLUTIONS CONCERNING ITEM SIXTH OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Approval of the Merger Balance Sheet of the merger by absorption of Axiare Patrimonio Socimi, S.A. (absorbed company) by Inmobiliaria Colonial, Socimi, S.A. (absorbing company).

PROPOSED RESOLUTION:

In accordance with first section of Article 36.1 of the Structural Modifications Act ("Ley de Modificaciones Estructurales", "LME" as per its Spanish initials), it is resolved to entirely approve and without any reservation as Merger Balance Sheet, the balance sheet closed on December 31st, 2017. This Merger Balance Sheet corresponds to the one of the annual accounts for the financial year ended on December 31st, 2017, which have been approved in the precedent first resolution.

In addition, in accordance with the provisions of Article 37 of the LME, it is hereby stated that the aforementioned Merger Balance Sheet has been verified by PricewaterhouseCoopers Auditores, S.L., auditor of the Company. The Balance Sheet does not contain any change to the valuations.

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DRAFT RESOLUTIONS CONCERNING ITEM SEVENTH OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Approval of the Draft Terms of the Merger and of the consequent Merger.

PROPOSED RESOLUTION:

*To approve in full, for the purposes of the provisions of Article 30.3 of the LME, the Common Draft Terms of the Merger (the "**Draft Terms of the Merger**") signed on April 10th, 2018, by all the members of the Board of Directors of Axiare Patrimonio Socimi, S.A. and Inmobiliaria Colonial, Socimi, S.A. and which is deemed to be reproduced in full for all purposes.*

It is hereby stated that the Draft Terms of the Merger were posted on the corporate website of Axiare Patrimonio Socimi, S.A. on April 10th, 2018, with the possibility of downloading and printing it.

Likewise, the Draft Terms of the Merger were registered with the Commercial Registry of Madrid on April 13th, 2018.

Therefore, it is resolved to approve, strictly based on the Draft Terms of the Merger, the merger by absorption of Axiare Patrimonio Socimi, S.A. (absorbed company) by Inmobiliaria Colonial, Socimi, S.A. (absorbing company), which, in accordance with Articles 22 and 23 of the LME, implies: (i) the winding-up of the absorbed company and (ii) the block transfer of its assets and liabilities to the absorbing company, which will acquire by universal succession the rights and obligations of the absorbed company.

*The Draft Terms of the Merger are literally transcribed below in accordance with Article 228.1 of the Commercial Registry Regulation ("Reglamento del Registro Mercantil", "**RRM**", as per its Spanish initials), stating herein the necessary circumstances provided for in the above mentioned Article:*

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"COMMON DRAFT TERMS OF THE MERGER

by and between

INMOBILIARIA COLONIAL, SOCIMI, S.A.

(as absorbing company)

and

AXIARE PATRIMONIO SOCIMI, S.A.

(as absorbed company)

April 2018

1. INTRODUCTION

*The planned transaction consists of a merger by absorption (the "**Merger**") between Inmobiliaria Colonial, SOCIMI, S.A. ("**Colonial**", jointly with the companies in its group, the "**Colonial Group**"), as the absorbing company, and Axiare Patrimonio SOCIMI, S.A. ("**Axiare**"), as the absorbed company. In accordance with the provisions of Articles 22 and 23 of Law 3/2009 of 3 April on structural changes to commercial companies (the "**Law on Structural Changes**"), the Merger will entail the termination of Axiare through its dissolution without liquidation and en-bloc transfer of all its assets to Colonial, which will acquire by universal succession the entire assets, as well as Axiare's rights and obligations, under the terms and conditions set out in the Law on Structural Changes and in this common draft terms of the merger, (the "**Common Draft Terms of the Merger**").*

In this regard, for the purposes of the provisions of articles 30, 31 and concordant of the Law on Structural Changes, the boards of directors of Colonial and Axiare have drawn up and signed this Common Draft Terms of the Merger, which will be submitted for approval to the respective shareholders' meetings of Colonial and Axiare, in accordance with the provisions of article 40 of the Law on Structural Changes.

At the date of this Common Draft Terms of the Merger, Colonial is the holder of 68,674,633 Axiare shares, accounting for 86.86% of its share capital.

2. JUSTIFICATION OF THE MERGER

From Colonial's perspective, the objective of the planned Merger is the internal reorganisation of the Colonial Group with the following aims: (i) to consolidate Colonial's position in the prime office sector; (ii) to streamline and optimise the organisational and functional structure of the Group and (iii) to improve its financial structure. In short, the objective of the planned merger for Colonial is to respond to the challenges of the current real estate sector by strengthening the competitive position, as well as to

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achieve a greater dimension and efficiency of the Spanish business side of Colonial Group and an improvement in the profitability of its projects and investments. In this vein, both Colonial and Axiare develop highly specialised businesses in the same sector (prime offices), so their integration into a single company is expected to generate significant synergies, in addition to a reduction of operational and functional costs. Axiare's debt will also benefit from an improvement in its credit quality by becoming part of a group with an Investment Grade rating. Therefore, the Merger will enable Colonial to consolidate its leadership in the prime office market in Spain, attain greater size and liquidity in capital markets, and achieve operating and financial synergies.

From Axiare's perspective, its merger with Colonial will generate significant integration synergies, reduce operational and functional costs, and develop a common management and strategy for the different assets of both companies. Moreover, the planned merger will turn Axiare's shareholders into shareholders of Colonial, considering Colonial is a leading real estate company in the prime office market in Europe, whose shares are more liquid than Axiare's, and it also forms part of the Ibex 35.

3. IDENTIFICATION OF THE COMPANIES PARTICIPATING IN THE MERGER

3.1. Absorbing company

Inmobiliaria Colonial, SOCIMI, S.A. is a Spanish public liability company ("sociedad anónima"), with registered office in Madrid, Paseo de la Castellana, 52, 5ª planta, post code 28046, with tax number (NIF) A-28027399 and legal entity identifier (LEI) 95980020140005007414. Colonial is registered in the Commercial Registry of Madrid, in volume 36660, page 87 and sheet number M-30822.

*As of the date of this Common Draft Terms of the Merger, Colonial's share capital amounted to 1,088,293,390.00 euros, divided into 435,317,356 shares of a par value of 2.50 euros each, belonging to a single class and series, fully subscribed and paid up and represented by entries in registered accounts and recorded in the corresponding accounting records kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("**Iberclear**") and its participating entities. All of Colonial's shares are listed on the Madrid and Barcelona Stock Exchanges and included in the Spanish Stock Exchanges' Interconnection System (Continuous Market).*

3.2. Absorbed company

Axiare Patrimonio SOCIMI, S.A. is a Spanish public liability company ("sociedad anónima"), with registered office in Madrid, Calle José Ortega y Gasset, 29, 5ª planta,

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postcode 28006, with tax number (NIF) A-86971249 and legal entity identifier (LEI) 959800A9PB7NMEC9M863. Axiare is registered in the Commercial Registry of Madrid, in volume 32158, page 171, section 8, sheet number M-578698.

As of the date of this Common Draft Terms of the Merger, Axiare's share capital stood at 790,624,860.00 euros, divided into 79,062,486 ordinary registered shares with a par value of 10 euros each, of the same class and series, fully subscribed and paid up and represented by entries in registered accounts kept by Iberclear and its participating entities. Axiare's shares are admitted for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and included in the Spanish Stock Exchanges' Interconnection System (Continuous Market).

4. MERGER EXCHANGE RATIO

4.1. Type of exchange

The merger exchange ratio of Axiare shares for Colonial shares has been determined on the basis of the real value of the assets of both entities. In accordance with this criterion, the resulting exchange ratio is 1.8554 Colonial shares of EUR 2.50 par value for each Axiare share of EUR 10 par value, with no provision for any additional cash compensation.

Of the valuation methods analysed by Colonial and Axiare, the exchange ratio calculated on the basis of the valuation of the assets was considered to be the most relevant for the purposes of determining the real value of the assets of Colonial and Axiare, in accordance with Article 25 of the Law on Structural Changes. In particular, the so-called "EPRA NAV" of Colonial and Axiare has been considered for the purpose of determining the exchange ratio of the Merger. The EPRA NAV is a method commonly accepted by the international financial community, to value real estate companies, which consists of calculating the net asset value on the basis of the company's own funds and adjusting certain items in accordance with the recommendations of the EPRA (European Public Real Estate Association).

*In this regard, the EPRA NAV calculated at 31 December 2017, adjusted for the relevant events occurring after that date, has been taken into account. Specifically, in relation to Colonial's EPRA NAV, account has been taken of (i) the impact of the outcome of the takeover bid on all of Axiare's shares, settled on 7 February 2018 (the "**Bid**"); (ii) the reversal of provisions relating to the settlement of the incentive and indemnity plan for the Axiare workforce that Colonial adjusted in its NAV published in December 2017; and (iii) the final dividend included in the proposed distribution of 2017 income in the financial statements prepared by the former Board of Directors of Axiare, attributable to Colonial's interest in Axiare, which will be paid prior to the date of registration of the*

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Merger, as well as the dividend proposed in financial statements of Colonial, which is expected to be paid before the registration of the Merger. In relation to Axiare's EPRA NAV, account has been taken of (i) the settlement of the long-term incentive plan, according to the regulatory announcement published by the Spanish Securities Market Commission (CNMV) on 24 January 2018 (registration number 260962); (ii) the indemnities accrued in favour of the management team that were agreed by Axiare's previous Board of Directors; (iii) the final dividend included in the proposed distribution of the profit for 2017 included in the financial statements prepared by the former Board of Directors of Axiare, which will be paid prior to the date of registration of the Merger; and (iv) the income from the sale of Axiare's treasury stock in the context of the Bid.

J.P. Morgan Securities plc issued an opinion to the Board of Directors of Colonial, as of 10 April 2018, on the basis of and subject to the factors, limitations and assumptions specified therein, which considered the exchange ratio in the proposed Merger, fair from a financial point of the view, to the Company as of the date of the opinion.

For its part, Credit Suisse International, issued an opinion on 10 April 2018 addressed to the Board of Directors of Axiare in which it considered that, as of that date, and based on the elements, limitations and assumptions contained in the opinion itself, the proposed exchange ratio is financially reasonable (fair) for Axiare's shareholders.

4.2. Methods for the exchange

Colonial will exchange the Axiare shares in accordance with the exchange ratio set forth in the preceding paragraph 4.1 by delivering newly issued ordinary shares.

*In this regard, Colonial will increase its share capital by the amount necessary to service the exchange by issuing and delivering ordinary shares of Colonial. The subscription of the new shares of Colonial will be reserved for Axiare shareholders and, as a result, there will be no pre-emptive subscription rights for Colonial's shareholders, in accordance with the provisions of Article 304.2 of the revised text of the Spanish Limited Liability Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (the "**Spanish Limited Liability Companies Law**").*

The newly issued shares shall be represented by book entries in the accounting records kept by Iberclear and its participating entities. Colonial will apply for admission of the new shares for trading on the Madrid and Barcelona stock exchanges and on any other markets in which the Colonial's shares are traded at the time of implementing the corresponding resolution, and for them to be included on the Spanish Stock Market's securities Interconnection System (Continuous Market).

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On the other hand, as of the date of this Common Draft Terms of the Merger, Colonial owns 68,674,633 shares of Axiare, representing 86.86% of its share capital. It is also stated that, as of the date of this Common Merger Project, Axiare does not have any treasury shares of its own. In this respect, pursuant to Article 26 of the Law on Structural Changes, the shares of Axiare held by Colonial and, where applicable, those held in treasury by Axiare would not be exchanged, but redeemed.

4.3. Exchange procedure

The exchange of Axiare shares for Colonial shares would be executed once the following facts have occurred: (i) the approval of the Merger by the general shareholders' meetings of Colonial and Axiare; (ii) registration with the CNMV of the "document equivalent" to the prospectus in compliance with the provisions of Royal Decree 1310/2005, of 4 November, partially implementing the Securities Market Law 24/1988, of 28 July, on the admission of securities to trading on official secondary markets, public offers for sale or subscription and the prospectus required for such purposes; (iii) the execution of the public deed of merger and capital increase of Colonial; and (iv) the registration of said public deed in the Commercial Registry.

Since the shares of Colonial and Axiare are represented by registered book entries, the exchange of Axiare shares for Colonial shares will be executed through the corresponding depository entities, in accordance with Royal Decree 878/2015, of 2 October, on registration, clearing and settlement of transferable securities represented by book entries, on the legal framework for central securities depositories and central counterparties and on transparency requirements for issuers of securities admitted to trading on an official secondary market and in accordance with Article 117 of the Spanish Limited Liability Companies Law. As a result of the Merger, all of Axiare's shares would be redeemed.

4.4. Mechanism to facilitate the exchange

Axiare shareholders who hold a number of shares which do not entitle them to a whole number of Colonial shares under the exchange ratio may acquire or transfer shares in order that the resulting shares may entitle them to receive a whole number of Colonial shares under the exchange ratio. The decision to buy or sell shares for this purpose shall be taken by each shareholder individually.

Notwithstanding the foregoing, Colonial and Axiare may appoint an odd-lot agent to act as counterparty for the purchase of remainders or odd lots. In this way, any Axiare shareholder who, according to the exchange ratio and taking into account the number of Axiare shares held, was not entitled to receive a full number of Colonial shares, will transfer his or her remaining Axiare shares to the Odd-lot Agent, who, in turn, will pay him or her the cash value.

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5. INDUSTRY CONTRIBUTIONS AND ANCILLARY PROVISIONS

5.1. Industry contributions

For the purposes of the provisions of Article 31.3 of the Law on Structural Changes, and given that Axiare is a public limited company, there are no industrial contributions and, therefore, no compensation will be granted for this concept.

5.2. Ancillary provisions

For the purposes of Article 31.3 of the Law on Structural Changes, it is hereby stated that Axiare has included Article 9 ("Ancillary Provisions ") and Article 52 ("Special rules for the distribution of dividends") in its Bylaws. These articles impose a series of duties on their shareholders (communication and compensation) in order to enable Axiare to comply with the special tax regime for SOCIMI and to be compensated for the damages that may be caused by the taxation of certain shareholders.

Colonial, in its capacity as a SOCIMI, and for the same purposes of complying with the special tax regime of SOCIMI, as well as being compensated for the damages that may be caused by the taxation of certain shareholders, has included Article 8 bis. ("Ancillary provisions") and Article 37a. ("Special rules for the distribution of dividends") in its Company Bylaws. These bylaws similar to those contained in Axiare's Company Bylaws. Therefore, no impact is foreseen and no compensation is to be granted for this concept.

*Notwithstanding the foregoing, as a result of Colonial's share in Société Foncière Lyonnaise ("**SFL**"), and to enable Colonial to comply with the special tax regime of SOCIMIs, and to be compensated for any damage that might be caused by the taxation of certain shareholders, Colonial's Company Bylaws lay down obligations for shareholders that are not natural persons and owners of at least 10% of the share capital. Taking into account the fact that there are no shareholders in Axiare who own shares that, if the Merger is approved and according to the exchange ratio established, will own a share in Colonial larger than 10% of the company's share capital (there would be no such shareholders even in the event all Axiare shares not held by Colonial were held by a single shareholder), the stipulations contained in Colonial's Company Bylaws as a result of its share in SFL will have no impact for the shareholders of the companies being merged, and no compensation will be granted for this concept. The foregoing is without prejudice to the fact that Axiare shareholders have been able to transfer their shareholding in the framework of the takeover bid made by Colonial for all of Axiare's shares.*

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6. SECURITIES AND SPECIAL RIGHTS

There are no special shares or holders of securities other than equity instruments. Consequently, no special rights are granted and no options are offered.

7. ADVANTAGES ALLOCATED TO INDEPENDENT EXPERTS AND DIRECTORS

No advantages will be allocated to the independent expert who issues the corresponding report on the Common Draft Terms of the Merger or to the directors of the companies participating in the Merger.

8. DATE ON WHICH THE NEW SHARES DELIVERED TO SERVICE THE EXCHANGE WILL ENTITLE RECIPIENTS TO A SHARE OF COMPANY PROFITS.

The new Colonial shares issued to service the exchange of Axiare shares will entitle the recipient to a share of company profits from the date of entry of the public merger deed in the Commercial Registry.

9. EFFECTIVE ACCOUNTING DATE OF THE MERGER

*In accordance with the General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November (the "**General Chart of Accounts**"), the effective accounting date of the Merger shall be 2 February 2018.*

10. RESULTING COMPANY BYLAWS AFTER THE MERGER

The Company Bylaws resulting from the Merger would be those of Colonial. These Bylaws would be amended solely for the purpose of reflecting the new share capital of Colonial resulting from the capital increase to be carried out to service the exchange of Axiare shares for newly issued shares of Colonial, under the terms of the above sub paragraph 4.2.

*Attached as an **Appendix** to the Common Draft Terms of the Merger is the current wording of Colonial's Company Bylaws, which are also available on its corporate website (www.inmocolonial.com).*

11. VALUATION OF ASSETS AND LIABILITIES OF THE ABSORBED COMPANY

For the purposes of the provisions of Article 31.9 of the Law on Structural Changes, it is hereby recorded that assets and liabilities of which the equity of Axiare is comprised and which will be transferred en-bloc and by universal succession to

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Colonial, will be measured in accounting pursuant to the General Chart of Accounts and, in particular, its rules 19 and 21.

12. DATE OF THE ACCOUNTS USED

For the purposes of the provisions of Article 31.10 of the Law on Structural Changes, it is hereby recorded that in order to establish the conditions in which the Merger is being carried out, Colonial and Axiare' financial statements as of 31 December 2017 have been used. PricewaterhouseCoopers Auditores, S.L, audited the individual and consolidated financial statements of Colonial and Axiare for that year.

The 2017 individual and consolidated financial statements of Colonial were authorised for issue by the Board of Directors of Colonial on 22 February 2018, and the corresponding audit reports were issued on 23 February 2018. Similarly, the 2017 individual and consolidated financial statements of Axiare were authorised for issue by the Board of Directors of Axiare on 14 February 2018, and the corresponding audit reports were issued on 16 February 2018.

In accordance with article 36 of the Law on Structural Changes, the merger balance sheet of Colonial shall be the individual balance sheet at 31 December 2017, which forms part of its duly audited 2017 financial statements, and which will be submitted for the approval of the General Meeting of Shareholders of Colonial that is to decide on the merger.

The merger balance sheet of Axiare shall be the individual balance sheet at 31 December 2017, which forms part of its duly audited 2017 financial statements, and which will be submitted for the approval of the General Meeting of Shareholders of Axiare that is to decide on the merger.

13. POSSIBLE CONSEQUENCES OF THE MERGER FOR EMPLOYEES, AND ITS POTENTIAL IMPACT ON GENDER AND THE COMPANY'S SOCIAL RESPONSIBILITY.

13.1. Consequences of the merger for employees

In accordance with Article 44 of the revised text of the Workers' Statute, approved by Royal Legislative Decree 2/2015, of 23 October, regulating corporate succession, Colonial would be subrogated to Axiare's labour and social security rights and obligations.

Colonial and Axiare will fulfil their obligations of information and, as required, consultation with the legal representatives of the employees of each, pursuant to the provisions of labour regulations. In addition, the appropriate public bodies will be notified of the planned Merger, particularly the General Treasury of Social Security.

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Following execution of the Merger, the labour rights of the employees of the participating companies shall be respected in accordance with the law. In like manner, the two entities are to undergo operational and functional integration, for which purpose Colonial is presently analysing the labour structure resulting from the same. In any event, certain redundancies and inconsistencies may arise between the jobs in the two organisations. Hence, Colonial may implement in the coming months the necessary legal procedure with the aim of correcting them. In any event, Colonial will assess and propose measures designed to retain talent in order to maximise the value of the group resulting from integration with Axiare.

13.2. Gender impact

No gender impact is expected in Colonial resulting from the Merger.

13.3. Impact on social responsibility

The Merger is not expected to have any impact on Colonial's social responsibility policy, as set out in the Colonial Group's "Corporate Social Responsibility Policy", which is available on Colonial's corporate website (www.inmocolonial.com).

14. OTHER INFORMATION

14.1. Reports of the Board of Directors

In accordance with the provisions of article 33 of the Law on Structural Changes, the Board of Directors of Colonial and Axiare will each prepare this report explaining and justifying the legal and economic aspects of the Common Draft Terms of the Merger, with special reference to the type of share exchange and to any special valuation difficulties that may exist, as well as the implications of the Merger for shareholders, creditors and employees.

In addition, pursuant to the provisions of Article 35.2 of the Law on Structural Changes, the directors' report on the Common Draft Terms of the Merger shall indicate the reasons that would have justified the acquisition of control of Axiare by Colonial and shall contain an economic and financial plan, with an indication of the resources and a description of the objectives to be achieved.

14.2. Independent expert's report

In accordance with article 34 of the Law on Structural Changes, Colonial requested the Commercial Registry of Madrid to designate an independent expert to draw up the corresponding report on the Common Draft Terms of the Merger. BDO Auditores, S.L.P was appointed for this purpose. Axiare also intends to request that such expert

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be appointed to prepare a single report on the Common Draft Terms of the Merger under the provisions of the second paragraph of Article 34.1 of the Law on Structural Changes.

In accordance with Article 35.3 of the Law on Structural Changes, the expert report on the Common Draft Terms of the Merger must contain a judgement on the reasonableness of the indications contained in such Common Draft Terms of the Merger and in the reports of the boards of directors of Colonial and, where applicable, Axiare. The report must also determine whether financial assistance is available.

14.3. Resources and deadlines for repayment by Colonial of debts contracted for the acquisition of control over or the assets of Axiare (Article 35 of the Law on Structural Changes).

Colonial contracted debt in order to acquire control over Axiare prior to this Common Draft Terms of the Merger. In this respect, Colonial's Board of Directors, in its meeting held on 12 November 2017, agreed to the presentation of a takeover bid for the entirety of the shares of Axiare, the consideration of which was met with funds from (i) Colonial's capital increase for an effective amount of 338,065,197 euros; (ii) the sale of 9,907,257 treasury shares for the effective amount of 78,168,257.73 euros within the context of the aforesaid share capital increase; and (iii) the issue of ordinary bonds in the total nominal amount of 800 million euros. Of said ordinary bond issue, 620 million euros were used for the Bid consideration.

For the purposes of article 35.1 of the Law on Structural Changes, the funds and deadlines for repayment by Colonial of the debts contracted for the acquisition of Axiare are outlined below (issue of ordinary bonds):

In November 2017, Colonial issued ordinary bonds for a total nominal amount of 800 million euros that are listed for trading in the Irish Stock Exchange under the Euro Medium Term Note Programme that was approved by the Central Bank of Ireland. The purpose of the issue was to meet the general corporate needs of Colonial, including the funding of new investments, such as the acquisition of shares in Axiare and the repayment of Colonial's debt, as applicable.

The issue is divided into 2 series: (i) a series of ordinary bonds for a total nominal amount of 500 million euros maturing in November 2025, with an annual 1.625% coupon and an issue price of 99.577% of the nominal value; and (ii) a series of ordinary bonds for a total nominal amount of 300 million euros maturing in November 2029, with an annual 2.5% coupon and an issue price of 99.969% of the nominal value.

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In accordance with the provisions of article 35.1 of the Law on Structural Changes, it is hereby stated that Colonial will pay the debt described above, as well as the interest accrued thereon, with the cash flows it generates in the normal course of its activities. The terms for the repayment of the debt and the interest accrued thereon shall be those provided for in the instruments representing the debt itself and detailed in the preceding paragraph.

14.4. Tax regime

*In accordance with article 89 of Law 27/2014, of 27 November, on Corporate Tax ("**Law 27/2014**"), the Merger is subject to the special tax regime envisaged in Chapter VII of Title VII in the second additional provision of Law 27/2014. For this purpose, the required notice will be given to the Tax Authority, as per the aforementioned article 89 of Law 27/2014.*

14.5. Publicity and information

In compliance with the provisions of Article 32 of the Law on Structural Changes, this Common Draft Terms of the Merger will be posted on the corporate web pages of Colonial (www.inmocolonial.com) and Axiare (www.axiare.es). The fact of such posting shall be published in the Official Gazette of the Commercial Registry under the terms of the law.

As expected and notwithstanding the foregoing, a copy of the Common Draft Terms of the Merger has been filed in the Commercial Registry of Madrid. The filing and the date on which it takes place will be published in the Official Gazette of the Commercial Registry.

The posting on the websites of Colonial and Axiare, the filing in the Commercial Registry of Madrid and the publication of these facts in the Official Gazette of the Commercial Registry shall be made at least one month before the date set for the holding of the general meetings of shareholders to be called to approve the Merger. The publication on the website shall be maintained for at least the time required by Article 32 of the Law on Structural Changes.

The documents mentioned in article 39 of the Law on Structural Changes will be posted on the mentioned corporate websites of Colonial and Axiare, allowing for downloading and printing, prior to publication of the notice for the general meetings of shareholders to which the Merger is submitted for approval.

Lastly, the Common Draft Terms of the Merger shall be submitted for the approval of the general meetings of Colonial and Axiare within six months following the date of

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this Common Draft Terms of the Merger, in accordance with article 30.3 of the Law on Structural Changes”

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DRAFT RESOLUTIONS CONCERNING ITEM EIGHTH OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Application to the special tax regime provided in the Corporate Income Tax Act.

PROPOSED RESOLUTION:

In relation to the Merger, to apply for the special tax regime provided for in Chapter VII of Title VII and in the second additional provision of Spanish Act 27/2014, of November 27th, on Corporate Income Tax.

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DRAFT RESOLUTIONS CONCERNING ITEM NINTH OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR MAY 25th, 2018

Authorization to the Board of Directors to interpret, rectify, supplement, implement and carry out the resolutions adopted by the Shareholders' Meeting, as well as to substitute the powers it receives from the Shareholders' Meeting, and to delegate powers to cause such resolutions to be notarized.

PROPOSED RESOLUTION:

Without prejudice to any of the delegations included in the above resolutions, to authorize the Board of Directors of the Company, with the express option of sub-delegation or substitution and as broadly as required by law to complete, execute, and implement and technically modify (if necessary), all of the above resolutions, as well as to rectify any omissions or errors (whether formal, substantive or technical) suffered by such resolutions, and their interpretation thereof, severally granting the Board of Directors, with the express option of sub-delegation or substitution, as well as the Chairman and the Secretary of the Board of Directors, the power to execute the appropriate public deeds containing the adopted resolutions, with the broadest powers to perform such acts as may be necessary, executing the necessary documents to secure the registration, even partially, of the above resolutions at the Commercial Registry and in particular:

- (a) To rectify, clarify, specify or complete the resolutions adopted by this Shareholders' Meeting or those which may arise in as many deeds and documents as may be executed in implementing them and, in particular, such omissions, defects or errors of substance or form, material or technical, that prevent the access of these resolutions and of their consequences to the Commercial Registry, Land Registry, Industrial Property Registry and any others.*
- (b) To perform such acts or legal transactions as may be necessary or appropriate to implement the resolutions adopted by this Shareholders' Meeting, executing such public or private documents as may be necessary or appropriate for the fullest effectiveness of*

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these resolutions, including the performance of such acts as may be necessary or appropriate vis-à-vis any public or private bodies.

- (c) To delegate to one or more of its members all or part of the powers that it sees fit from among those corresponding to the Board of Directors and all those which have been expressly granted to it by this Shareholders' Meeting, on a joint or several basis.*
- (d) To determine in short any other circumstances that may be necessary, adopting and implementing the necessary resolutions, executing the necessary documents and completing such formalities as may be appropriate, proceeding to comply with such requirements as may be necessary in accordance with the law for the fullest implementation of what it is resolved upon by the Shareholders' Meeting.*

Any members of the Board of Directors, as well as the Secretary and Vicesecretary non-directors, are also expressly authorized to, individually and with their sole signature, cause the adopted resolutions to be notarized, as well as to execute any additional deeds that may be necessary or pertinent to rectify, clarify, specify or complete the resolutions adopted by the current Shareholders' Meeting.

Likewise, to expressly authorize any member of the Board of Directors, as well as the Secretary and Vicesecretary non-directors, so that any of them, acting in the name and on behalf of the Company (individually or in coordination, at their own discretion, with the other company participating in the merger), may:

- (a) carry out any act or transaction before any natural or legal person, public or private, of any nationality (e.g. the Commercial Registry, the Land Registry or any other registry) they deem appropriate, such as, for example:*
- (b) publish the merger resolution, in accordance with the provisions of Article 43.1 of the LME, once in the Official Gazette of the Mercantile Registry and in one of the newspapers with a large circulation in the province in which the absorbing company and the absorbed company have their registered offices;*

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- (c) *provide guarantees to the satisfaction of creditors exercising their right to object, or have a joint and several guarantee provided by a credit institution, in accordance with Article 44 of the LME.*