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

## **TO THE SPANISH STOCK MARKET COMMISSION**

In compliance with reporting requirements set forth in Article 82 of Act 24/1988, dated July 28 on the Securities Market, Axiare Patrimonio Socimi, S.A. (the “**Company**”) notifies the Spanish Stock Market Commission of the following

### **SIGNIFICANT INFORMATION ANNOUNCEMENT**

The Board of Directors of the Company in the meeting held on 11<sup>th</sup> of May 2017, has resolved to call the General Meeting of Shareholders of the Company, to be held in Madrid (Bloomberg Offices– Auditorium- Paseo De la Castellana, 9), on June 19, 2017 and June 20, 2017, at 12:00 CET, on first and second call respectively, which foreseeably will take place on the second call as is not expected to reach the necessary quorum to be held on the first call.

For such purposes, we enclose the full text of the call notice, which will be published in the Official Gazette of the Commercial Registry (BORME) and on the web page of the Company ([www.axiare.es](http://www.axiare.es)), as well as the proposed resolutions and reports of the Board of Directors in relation to the different items of the agenda of such General Shareholder’s Meeting.

Madrid, May 18, 2017

Axiare Patrimonio SOCIMI, S.A.  
Mr. Luis López de Herrera-Oria  
CEO

This communication does not constitute an offer of securities in any jurisdiction. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”). Axiare Patrimonio Socimi, S.A. does not intend to register any of the securities in the United States or to conduct a public offering of the securities in the United States.

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### **Axiare Patrimonio Socimi, S.A.**

#### **Annual Shareholders' Meeting**

The Board of Directors of Axiare Patrimonio Socimi, S.A. (the “**Company**”) has resolved to call the Annual Shareholders' Meeting which will be held at Auditorio de las oficinas Bloomberg, located at Paseo de la Castellana nº 9, on June 19<sup>th</sup>, 2017, 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 June 20<sup>th</sup>, 2017 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.-** Examination 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 31<sup>st</sup>, 2016.

**Second.-** Examination and approval, if appropriate, of the proposed allocation of the result for the financial year closed as of December 31<sup>st</sup>, 2016.

**Third.-** Examination and approval, if appropriate, of the conduct of business by the Board of Directors for the financial year closed as of December 31<sup>st</sup>, 2016.

#### **ITEM RELATING TO THE TREASURY STOCK OF THE COMPANY**

**Fourth.-** Authorization for the derivative acquisition of treasury stock by Axiare Patrimonio Socimi, S.A. or companies in its group. In case of approval, revocation of former authorizations.

#### **ITEM RELATING TO CALL NOTICES FOR SPECIAL SHAREHOLDERS' MEETINGS**

**Fifth.-** Authorization to shorten the period for calling Special Shareholders' Meetings, pursuant to the provisions of article 515 of the Spanish Capital Companies Act.

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

**Sixth.-** Consultative vote on the Report on Directors' Remuneration and complementary report for the financial year closed as of December 31<sup>st</sup>, 2016.

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ITEM RELATING TO APPOINTMENT AND RE-ELECTION OF DIRECTORS

**Seventh.-** Appointment of Mr. Cato Henning Stonex as a new member of the Board of Directors of Axiare Patrimonio Socimi, S.A.

**Eighth.-** Re-election of current members of the Board of Directors of Axiare Patrimonio Socimi, S.A.; the voting of the re-election of each member will be carried out separately and independently by the General Shareholder's Meeting.

ITEM RELATING TO RE-ELECTION OF AUDITORS

**Ninth.-** Re-election of PricewaterhouseCoopers Auditores, S.L. as auditors of Axiare Patrimonio Socimi, S.A. and its consolidated group for the financial years 2017,2018 and 2019.

ITEMS RELATING TO GENERAL MATTERS

**Tenth.-** 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 delegate 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, 5<sup>th</sup> 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 held, attendees may be asked to

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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 Spanish Capital Companies Act, 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](http://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 2017 / 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 June 11<sup>th</sup> 2017. 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.

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

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issued on paper by the entities participating in Iberclear, that applies in each case, or (ii) the form provided by Axiare Patrimonio Socimi, S.A., using the mechanism established for the purpose on the Company's website ([www.axiare.es](http://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 Patrimonio Socimi, S.A.), 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 Patrimonio Socimi, S.A. (in Madrid, calle José Ortega y Gasset nº 29, 5<sup>th</sup> 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 Patrimonio Socimi, S.A. (in Madrid, calle José Ortega y Gasset nº 29, 5<sup>th</sup> 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 Patrimonio Socimi, S.A., 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 Patrimonio Socimi, S.A. 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 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.

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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 ([www.axiare.es](http://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 Patrimonio Socimi, S.A. (in Madrid, calle José Ortega y Gasset nº 29, 5<sup>th</sup> Floor) by postal correspondence or an equivalent courier service; if the document sent is the form provided by Axiare Patrimonio Socimi, S.A., 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 Patrimonio Socimi, S.A. (in Madrid, calle José Ortega y Gasset nº 29, 5<sup>th</sup> 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](http://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 2017 / Electronic vote" at the website. The distance vote shall be casted 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 distance vote shall be casted before 23:59 p.m. on June 11<sup>th</sup> 2017. 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)

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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 Patrimonio Socimi, S.A.:

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 Patrimonio Socimi, S.A. 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 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

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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 Patrimonio Socimi, S.A. 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; 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.

D) Recipients of the proxies:

Proxies simply granted to Axiare Patrimonio Socimi, S.A., 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.

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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 items third, sixth and eighth of the agenda.

E) Other provisions:

- a) The disposal of shares whose ownership confers the right to vote of which Axiare Patrimonio Socimi, S.A. 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 to vote using means of distance communication, this condition must be fulfilled at the time of the casting of the vote.
- c) Axiare Patrimonio Socimi, S.A. shall make the standard form for proxy and distance voting cards available for shareholders on the Company's website ([www.axiare.es](http://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 Patrimonio Socimi, S.A. 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

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Patrimonio Socimi, S.A., 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](http://www.axiare.es)); (ii) write to the e-mail address [investors@axiare.es](mailto: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 Patrimonio Socimi, S.A. for financial year closed as of December 31<sup>st</sup>, 2016, as well as the related audit report; (ii) the consolidated financial statements and the consolidated Director's management report of Axiare Patrimonio Socimi, S.A. for financial year closed as of December 31<sup>st</sup>, 2016, as well as the related audit report; (iii) the proposed resolutions submitted; (iv) the explanatory reports and proposed appointment and re-election, issued by the Board of Directors on items seventh, eighth and ninth of the agenda; (v) the Report on Directors' Compensation, as well as the complementary report, which will be submitted to a consultative vote; (vi) the Annual Corporate Governance Report for the year closed as of December 31<sup>st</sup>, 2016 (which incorporates the Annual Report on the Functioning of the Audit and Control Committee), (vii) 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 7<sup>th</sup>, 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](http://www.axiare.es)).

In addition, and notwithstanding any other rights to information granted by the applicable legislation, up until the fifth day (5<sup>th</sup>) 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 (5<sup>th</sup>) 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

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Axiare Patrimonio Socimi, S.A. has provided to the Spanish National Securities Market Commission regarding the audit report. 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, 5<sup>th</sup> 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 (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](http://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](http://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 individual financial statements and the individual directors' management report of Axiare Patrimonio Socimi, S.A. for the year closed as of December 31<sup>st</sup>, 2016, with the related audit report;
- 4) The consolidated financial statements and the consolidated directors' management report of Axiare Patrimonio Socimi, S.A., and its subsidiaries for the year closed as of December 31<sup>st</sup>, 2016, with the related audit report;

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- 5) The responsibility statement issued by the directors pursuant to article 118 of the Spanish Securities Market Act regarding the financial statements;
- 6) 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;
- 7) The identity, *Curriculum Vitae* and category of the current Directors, as well as the new Director appointed along with the proposed appointment and re-election of current Directors and the explanatory report of the Board of Directors and suitability of the proposal, pursuant to article 529 decies.
- 8) The Annual Corporate Governance Report for the year closed as of December 31<sup>st</sup>, 2016;
- 9) The Annual Report regarding Director's compensations and the complementary report regarding the year closed as of December 31<sup>st</sup>, 2016;
- 10) The Activity Report issued by the Appointment and Remunerations Committee for the year closed as of December 31<sup>st</sup>, 2016;
- 11) The Activity Report issued by the Audit and Control Committee for the year closed as of December 31<sup>st</sup>, 2016;
- 12) The Activity Report issued by the Audit and Control Committee regarding the independence of the external auditor;
- 13) The Report issued by the Audit and Control Committee regarding the re-election of the auditor;
- 14) The Activity Report issued by the Audit and Control Committee regarding related-party transactions;
- 15) The rules applicable to proxies and voting using means of distance communication;
- 16) The standard form for proxy and distance voting cards;
- 17) The current revised texts of the Bylaws, Shareholders' Meeting Regulations, Regulations of the

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Board of Directors and other documents comprising the corporate governance system;

- 18) The rules on the functioning of the Shareholders' Electronic Forum; and
- 19) The Report of the Board of Directors and of the Independent Expert on the share capital increase without rights resolved by the Board of Directors on March 7<sup>th</sup>, 2017, and
- 20) 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](http://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, 5<sup>th</sup> 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](mailto:investors@axiare.es).

**Shareholders' Electronic Forum:** Pursuant to the current legislation, Axiare Patrimonio, SOCIMI, S.A. has set up on its corporate website ([www.axiare.es](http://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 Patrimonio Socimi, S.A., which are set out on the Company's website ([www.axiare.es](http://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 Patrimonio Socimi, S.A., because of the Annual General Meeting.

**Data processing:** The personal data that the shareholders send to Axiare Patrimonio Socimi, S.A. to exercise their rights of attendance, proxy and vote at the Shareholders' Meeting, to participate in the

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Madrid 28006

A-86971249

Shareholders' Electronic Forum, as well as to fulfill any other legal obligations arising from the call notice or holding of the Shareholders' Meeting, or which are furnished by banks and broker-dealers and securities brokers where the shareholders have deposited their shares, through the entity legally authorized to keep the register of book entries, Iberclear, will be processed 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. These data will be included in a filing system the controller of which is Axiare Patrimonio Socimi, S.A. 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 their rights of access, rectification, cancellation and objection, pursuant to the current legislation and on the terms and complying with the requirements established by such legislation, by sending a notice identified with the reference "*Personal Data Processing*" in which they specify their request, to the following address: Axiare Patrimonio Socimi, S.A., Madrid, calle José Ortega y Gasset nº 29, 5<sup>th</sup> Floor.

**Note.-** The Shareholders' Meeting will be held, foreseeably, ***on second call***, on June 20<sup>th</sup>, 2017, in the place and at the time indicated, unless the shareholders are informed otherwise through the same newspaper as that in which this call notice is published, through the Company's website ([www.axiare.es](http://www.axiare.es)) or through the appropriate material event to be sent to the CNMV.

In Madrid, on May 11<sup>th</sup>, 2017.

Iván Azinovic Gamo Secretary of the Board of Directors

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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 JUNE 20<sup>th</sup>, 2017

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**Examination 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 31<sup>st</sup>, 2016.**

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 31<sup>st</sup>, 2016, which have been approved by the Board of Directors on February 23<sup>rd</sup>, 2017.

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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 JUNE 20<sup>th</sup>, 2017

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**Examination and approval, if appropriate, of the proposed allocation of the result for the financial year closed as of December 31<sup>st</sup>, 2016.**

PROPOSED RESOLUTION:

To approve, in accordance with the proposal from the Board of Directors, the allocation of the results for the financial year closed as of December 31<sup>st</sup>, 2016, amounting to €13,792,000, in the following terms:

- The amount of €1,379,000 will be transferred to the legal reserve (10% of the profit).
- The amount of €12,413,000 will be allocated to the payment of dividends (100% of the distributable profit).

Payment of the abovementioned dividends is expected to take place on June 22<sup>nd</sup>, 2017.

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). To that extent, the Board of Directors is empowered, with express powers of substitution, to set the exact date of payment of the dividend, to designate the entity that is going to act as paying agent and to perform other necessary or suitable actions for the successful 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 JUNE 20<sup>th</sup>, 2017

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**Examination and approval, if appropriate, of the conduct of business by the Board of Directors during the financial year closed as of December 31<sup>st</sup>, 2016.**

PROPOSED RESOLUTION:

To approve the conduct of business by the Board of Directors of Axiare Patrimonio Socimi, S.A. in the discharge of its functions, during the financial year closed as of December 31<sup>st</sup>, 2016.

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P A T R I M O N I O  
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DRAFT RESOLUTIONS CONCERNING ITEM FOURTH ON THE AGENDA OF THE ANNUAL  
SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR JUNE 20<sup>th</sup>, 2017

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**Authorization for the derivative acquisition of treasury stock by Axiare Patrimonio Socimi, S.A. or companies in its group. In case of approval, revocation of previous authorizations.**

PROPOSED RESOLUTION:

To authorize the derivative acquisition of treasury stock of Axiare Patrimonio Socimi, S.A. by the Company itself or its group companies, pursuant to the provisions of articles 146 and related articles of the Spanish Companies Act, complying with the requirements and restrictions established in the legislation in force from time to time, all on the following terms:

- Forms of acquisition: The acquisitions may be made directly by the Company or indirectly through companies in its group, and they may be formalized, once or several times, by way of a sale and purchase, swap or any other valid legal transaction under law. The acquisition may also be performed through an intermediary who acquires the shares on behalf of the Company by virtue of a liquidity contract executed between the Company and the intermediary.
- Maximum number of shares to be acquired: The par value of the shares to be acquired, added, if applicable, to that of those already directly or indirectly owned, shall not exceed the maximum percentage legally permitted from time to time.
- Maximum and minimum consideration: The acquisition price per share shall be at least the par value and at most the price quoted on the stock market on the date of acquisition.
- Term of the authorization: This authorization is granted for a term of five years, so all the authorizations granted in advance are duly revoked.

In addition, and for the purposes of the provisions of paragraph two of letter a) of article 146.1 of the Spanish Companies Act, it is expressly placed on record that express authorization is granted for the acquisition of shares of the Company by any of its subsidiaries, on the same terms as those indicated above.

The authorization includes the acquisition of shares which shall be directly placed to workers or directors of the Company or its group companies, or due to its right to exercise the purchase option.

The authorization also includes the acquisition of shares which, if applicable, have been delivered directly to the workers or directors of the Company or companies in its group, or as a result of option rights held by them.

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DRAFT RESOLUTIONS CONCERNING ITEM FIFTH ON THE AGENDA OF THE ANNUAL SHAREHOLDERS'  
MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR JUNE 20<sup>th</sup>, 2017

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**Authorization to shorten the period for calling Extraordinary Shareholders' Meetings, pursuant to the provisions of article 515 of the Spanish Companies Act**

PROPOSED RESOLUTION:

Pursuant to the provisions of article 515 of the Spanish Companies Act, it was resolved to authorize and approve that the extraordinary shareholders' meetings of the Company may be called with a minimum prior notice of twenty-one (21) days, provided that, and as long as, the Company offers the shareholders the effective option of voting by electronic means accessible to all of them.

This authorization is granted until the date on which the next annual shareholders' meeting of the Company is held.

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PATRIMONIO  
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DRAFT RESOLUTIONS CONCERNING ITEM SIXTH ON THE AGENDA OF THE ANNUAL SHAREHOLDERS'  
MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR JUNE 20<sup>th</sup>, 2017

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**Consultative vote on the Report on Directors' Remuneration and complementary report for the financial year closed as of December 31<sup>st</sup>, 2016.**

PROPOSED RESOLUTION:

To approve, in an advisory capacity, the Annual Report on Directors' Compensation, dated February 23<sup>th</sup>, 2017, as well as the complementary report, dated on May 11<sup>th</sup>, 2017.

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DRAFT RESOLUTIONS CONCERNING ITEM SEVENTH ON THE AGENDA OF THE ANNUAL  
SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO SOCIMI, S.A. CALLED FOR JUNE 20<sup>th</sup>, 2017

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**Appointment of Mr. Cato Henning Stonex as a new Board Member of Axiare Patrimonio Socimi, S.A.**

PROPOSED RESOLUTION:

In relation to the proposal from the Board of Directors and after receiving the Appointments and Remuneration Committee's report, to approve the appointment of Mr. Cato Henning Stonex, full of age, U.K. citizen, with business address at "Partners Investment Company", 17 Albemarle Steet, London W1S 4HP and with passport number 510766307 in force, as Board Member of the Company for the statutory period, with the category of Independent.

DRAFT RESOLUTIONS CONCERNING ITEM EIGHTH OF THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO SOCIMI, S.A. CALLED FOR JUNE 20<sup>th</sup>, 2017

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**Re-election of the current Board Members of Axiare Patrimonio Socimi, S.A.; the voting of the re-election of each member will be carried out separately and independently by the General Shareholder's Meeting.**

**8.1 Re-election of Mr. Luis Maria Arredondo Malo as a Board Member.**

PROPOSED RESOLUTION:

In relation to the proposal from the Board of Directors and after receiving the Appointments and Remuneration Committee's report, to approve the re-election of Mr. Luis Maria Arredondo Malo, whose personal data are duly registered within the Commercial Registry of Madrid, as Director of the Company for the statutory period.

**8.2 Re-election of Mr. Luis Alfonso López de Herrera-Oria as a Board Member.**

PROPOSED RESOLUTION:

In relation to the proposal from the Board of Directors and after receiving the Appointments and Remuneration Committee's report, to approve the re-election of Mr. Luis Alfonso López de Herrera-Oria, whose personal data are duly registered within the Commercial Registry of Madrid, as Director of the Company for the statutory period.

**8.3 Re-election of Mr. Fernando Bautista Sagües as a Board Member.**

PROPOSED RESOLUTION:

In relation to the proposal from the Board of Directors and after receiving the Appointments and Remuneration Committee's report, to approve the re-election of Mr. Fernando Bautista Sagües, whose personal data are duly registered within the Commercial Registry of Madrid, as Director of the Company for the statutory period.

#### **8.4 Re-election of Mr. David Jimenez-Blanco Carrillo de Albornoz as a Board Member.**

PROPOSED RESOLUTION:

In relation to the proposal from the Board of Directors and after receiving the Appointments and Remuneration Committee's report, to approve the re-election of Mr. David Jimenez-Blanco Carrillo de Albornoz, whose personal data are duly registered within the Commercial Registry of Madrid, as Director of the Company for the statutory period.

Resolutions described above will be vote separately.

DRAFT RESOLUTIONS CONCERNING ITEM NINTH ON THE AGENDA OF THE ANNUAL SHAREHOLDERS'  
MEETING OF AXIARE PATRIMONIO SOCIMI, S.A. CALLED FOR JUNE 20<sup>th</sup>, 2017

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**Re-election of PricewaterhouseCoopers Auditores, S.L. as auditor of Axiare Patrimonio Socimi, S.A. and its consolidated group for financial years 2017, 2018 y 2019.**

PROPOSED RESOLUTION:

To re-elect PricewaterhouseCooper Auditores, S.L., as auditor of Axiare Patrimonio Socimi, S.A. and its consolidated group for financial years 2017, 2018 y 2019, granting the Board of Directors, with the express power of delegation, to negotiate the rendering services agreement, its clauses and conditions, as well as to modify it pursuant to the regulation in force at any time.

This resolution is approved following the Board of Directors' proposal, and the previous favorable report from the Audit and Control Committee.

PricewaterhouseCoopers Auditores, S.L. has its registered office at "Torre PwC", Paseo de la Castellana 259B, 28046 Madrid, Spain, CIF: B-79031290. It is duly registered before the Commercial Registry of Madrid, Volume 9.267, Book 8.054, Sheet 75, page number 87.250-1, Section 3<sup>rd</sup>, and before the Accounting Registry of Auditors (ROAC), number S0242.

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DRAFT RESOLUTIONS CONCERNING ITEM TENTH ON THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF AXIARE PATRIMONIO, SOCIMI, S.A. CALLED FOR JUNE 20<sup>th</sup>, 2017

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**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 delegate 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, it was resolved 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 the 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, including partial, 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, Property 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 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 is resolved upon by the Shareholders' Meeting.

Any members of the managing body 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 this Shareholders' Meeting.

**AXIARE PATRIMONIO SOCIMI, S.A.**

**REPORT ELABORATED BY THE BOARD OF DIRECTORS OF AXIARE PATRIMONIO SOCIMI, S.A.  
IN RELATION TO THE PROPOSED APPOINTMENT OF MR. CATO HENNING STONEX, INCLUDED  
IN THE POINT SEVEN OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING TO BE  
HELD ON THE 19th AND 20th OF JUNE 2017 ON FIRST AND SECOND CALL RESPECTIVELY**

**1. Introduction**

This justification report has been drafted by the Board of Directors of Axiare Patrimonio Socimi, S.A. (the "**Company**") pursuant to the article 529 *decies* of the Spanish Companies Act regarding the proposal of appointment as Board Member of Mr. Cato Henning Stonex, as an independent Director of the Company.

Pursuant to article abovementioned, Board of Directors shall issue an explanatory report by the detailing the competency, experience and merits of the candidate proposed, which shall be accompanied by a proposal issued by the Appointments and Remuneration Committee, since Mr. Cato Henning Stonex will be an independent Director.

This report includes information required by the Regulation of the Board of Directors and by the article 518 of the Spanish Companies Act.

**2. Report of the Appointments and Remuneration Committee**

Attached to this report as **Appendix**, is the report drafted by the Appointments and Remuneration Committee dated 11 May 2017 regarding the candidate proposed as new Director, Mr. Cato Henning Stonex.

**3. Professional and biography profile of Mr. Stonex**

The candidate to take the new Board member seat in the Company is Mr. Cato Henning Stonex.

Mr. Stonex studied in the *London School of Economics and Political Science*, where he also worked as *Governor, Member of the Endowment Investments Committee, Emeritus Governor and Member of LSE IDEAS*.

Mr. Stonex began his career in London, where he worked as an intern in *Morgan, Grenfell & Co*, being further on appointed as Assistant Director (*European Bond Trading Department*).

Later on, and during seven years, he worked as *Fund Manager* in *J. Rothschild Administration*.

In 1996, he founded the company Taube Hodson Stonex (THS), placed in London. In 2016, THS merged with the company Global Asset Management (GAM).

Mr. Stonex has just founded the company Partners Investments Company LLP, placed in London, and he focuses mainly on it. Mr. Cato Henning Stonex has a long experience in investments within listed companies in Europe, U.S.A. and Japan.

Mr. Stonex has a great experience in investments related with private property, especially in Germany, where he owns shares in the company Obotritia and holds executive functions, too. Obotritia is a company dedicated to the investments in buildings, used either for offices or for residential purposes. This company has branches which are listed on the Exchange Stock, such as Deutsche Konsum, whose managing director is, as well, CEO of TAG, company in which THS has a considerable participation.

Mr. Stonex has more than 12 years of experience in real estate transactions and more than 27 years of experience in management of international funds, in transactions of high relevance and within an international environment.

Mr. Stonex holds positions within several board of directors, due to his long experience in the sector. Below is a summary on his main positions in other companies and its participation in listed companies:

<b>Company</b>	<b>Position</b>	<b>% Participation</b>	<b>Listed Company (Yes/No)</b>	<b>Executive functions (Yes/No)</b>
Partners Investment Company LLP	Individual representative of Director	50%	No	Yes
Partners Investment Company (2017) Limited	Director	50%	No	Yes
Axcent Partners LLP	Individual representative of Director	50%	No	Yes
CHS Ventures Limited	Director	100%	No	Yes
Hardicott Shoot LLP	Individual representative of Director	50%	No	Yes
Roundwood Partners LLP	Individual representative of Director	25%	No	Yes
Sloane Residents Limited	Director	25%	No	Yes

CS Ventures Limited	Director	100%	No	Yes
Taube Hodson Stonex Partners LLP	Individual representative of Director	16.6%	No	Yes
Buck's Club Limited	Director	8.3%	No	NO
Taube Hodson Sonex Partners (UK) Limited	Director	20%	No	Yes
Cato Stonex Limited	Director	50%	No	Yes
THSP Limited	Liquidator	20%	No	Yes
Petworth Art LLP	Individual representative of Director	50%	No	Yes
Chapman Bags	Director	30%	No	No
Westmoreland Spirits Ltd	Director	10%	No	No
Obotritia	Director	12%	No	No
Deutsche Konsum	Director	3%	Yes	No

#### 4. Availability

It has been verified with the candidate his availability to provide the required dedication to fulfil the position, as well as to perform his obligations related with the job.

Axiare has checked Mr. Stonex's other obligations, and the Board of Directors has confirmed Mr. Stonex's availability to perform his obligations within his new position.

#### 5. Evaluation of the proposed candidate

The Board of Directors understands that, in order for a Director to execute appropriately his supervisory and controlling role should account for adequate capacities and sufficient competences in the following areas: (i) proven competences and experience; (ii) knowledge in the area in which the Company develops its business; (iii) possibility of dedication and involvement in the businesses of the Company; and (iv) additional and complementary knowledge to those of the activity of the Company such as financial aspects.

Mr. Stonex experience provides a wider variety of profiles within the Board of Directors.

The above mentioned, along with the reasons contemplated for such Appointment by the Appointments and Remuneration Committee (reasons which this corporate governance body makes theirs), makes the Board of Directors understand as justified and convenient

the appointment of Mr. Cato Henning Stonex as Director of the Company, which will revert in the benefit of the Company and all interested parties.

His international experience dealing with investments funds makes him the ideal candidate to substitute Mr. Chetan Gulati, also non-resident and with international experience. In this sense, the Board of Directors keeps its original policy, that is a combination of independent directors who have a strong knowledge of the local market with a contrasted experience within real estate, legal and financial sectors, together with the experience of an independent director with international vocation necessary to get the trust of the shareholders of the Company, which are mainly institutional investors, and non-institutional foreign investors.

Additionally, its condition as an independent director will support the role of the Board of Directors as an effective supervisory body.

#### **6. Category of Board Member to which he should ascribe**

Given the fact Mr. Cato Henning Stonex has been proposed due to his professional and personal profile, being able to perform his obligations without being affected by managing the Company or its shareholders, Mr. Stonex should be ascribed to the category of Independent Director.

#### **7. Agreement proposal**

After all the above, the Board of Directors considers that the proposal to nominate Mr. Stonex as Independent Director of the Company is justified.

The appointment proposal taken for approval of the General Shareholders' Meeting is the following:

*"In relation to the proposal from the Board of Directors, after receiving the Appointments and Remuneration Committee's report, the appointment of Mr. Cato Henning Stonex, U.K. citizen, provided with passport number 510766307, and with business address at "Partners Investment Company", 17 Albemarle Steet, London W1S 4HP, as Board Member of the Company for the statutory period, with the category of Independent".*

Madrid, 11 May 2017

**APPENDIX**

**REPORT ELABORATED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE IN  
RELATION TO THE APPOINTMENT OF MR. CARO HENNING STONEX, AS INDEPENDENT  
DIRECTOR, BY THE GENERAL SHAREHOLDERS' MEETING**

**REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE ON TO THE  
APPOINTMENT OF MR. CATO HENNING STONEX, AS INDEPENDENT DIRECTOR, BY THE  
GENERAL SHAREHOLDER'S MEETING**

## **1. INTRODUCTION**

The Board of Directors of Axiare Patrimonio Socimi, S.A. (the “**Company**”) is considering presenting the General Shareholder’s Meeting the appointment of Mr. Cato Henning Stonex as an independent Director.

Pursuant to section 6 of the article 529 decies of the Spanish Companies Law and in the section 4 of the article 38 of the Regulations of the Board of Directors of the Company, it is deed of the Appointment and Remuneration Committee to inform of the appointment of independent Director for its approval by the General Shareholder’s Meeting.

With regards to the above, and in need to analyze the appointment as Director of the Company of Mr. Cato Henning Stonex, the Appointments and Remuneration Committee has verified the appropriateness of the candidate, as well as the convenience of his appointment, which conclusions are included in this report.

In its analysis this Commission has considered the needs of the Board of Directors.

## **2. EVALUATION AND APPROPRIATNESS OF THE CANDIDATE**

The Appointments and Remuneration Committee has considered the following main aspects in relation to the candidate:

- i. the appropriateness of the professional profile towards the peculiarities of the business carried by the Company and in particular, the experience and merits of the candidate;
- ii. the close professional relationship between Mr. Stonex and the Company from its incorporation as a Manager of the fund which participated in the IPO. The fund (THS) has already sold its participation in the Company, and thus, there is no any problem that Mr. Stonex is appointed as an Independent Director.
- iii. the honorability, solvency and competence of Mr. Cato Henning Stonex; and
- iv. the availability and compromise with his position, needed for the Director’s position.

For such purpose, it is also noted that this Committee has analyzed the composition of the Board of Directors, composed of four (4) members and the conditions and knowledge of each of the members, together with the needs of the Company and the structure of its business.

Bearing in mind all the competences provided by the previous Director, Mr. Chetan Gulati, the Committee has been looking for the most suitable candidates. Among all the candidates, the skills of Mr. Stonex, his professional experience, his knowledge about the Company and the other shareholders, make him the suitable candidate for the position.

Given the above mentioned, this Committee understands and considers that Mr. Stonex has the competence requirements, experience and the necessary merits to become Director of the Company, taking into consideration his wide experience and knowledge, in particular in the investment segment, and therefore his appointment as Director of the Company will add unquestionable benefits to the Board of Directors.

### **3. BOARD MEMBER CATEGORY TO WHICH HE SHOULD BE ASCRIBED**

Given the fact Mr. Cato Henning Stonex has been proposed due to his professional and personal profile, being able to perform his obligations without being affected by managing the Company or its shareholders, Mr. Stonex should be ascribed to the category of Independent Director.

### **4. VERIFICATION OF THE FULFILLMENT OF THE REQUIREMENTS TO BE BOARD MEMBER OF THE COMPANY**

The Appointments and Remuneration Committee has verified that the candidate complies with the general requirements due by any Director of the Company according to the requirements of the law and the internal regulations, and in particular that he is not in breach, directly or indirectly of any cause for incompatibility, prohibition, conflict or social interests opposition.

### **5. CONCLUSION**

In relation to the above stated, the Appointments and Remuneration Committee has concluded to favorably inform about the appointment of Mr. Cato Henning Stonex as Director of the Company as Independent Director.

Madrid, 11 May 2017

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A-86971249

**FRAMEWORK REPORT PREPARED BY THE BOARD OF DIRECTORS OF AXIARE PATRIMONIO SOCIMI, S.A. IN RELATION TO THE PROPOSED RE-ELECTION OF DIRECTORS UNDER ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CONVENED FOR 19 AND 20 JUNE 2017 ON FIRST AND SECOND CALL RESPECTIVELY**

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**1. PURPOSE OF THE REPORT**

This report has been prepared by the Board of Directors of Axiare Patrimonio Socimi, S.A. (**Axiare** or the **Company**) in accordance with Article 529 *decies* of the Spanish Companies Act for the purpose of justifying the proposed re-election of Company's Directors and being submitted to the approval of the General Meeting under item eight of the Agenda. For this purpose, the report evaluates the competence, experience and merits of all the Directors whose re-election is being proposed, as well as its performance within the Company so far.

In accordance with the law and with the Company's internal rules and regulations, the proposals for re-election as independent Directors of Mr. Luis Maria Arredondo Malo, Mr. Fernando Bautista Sagües and Mr. David Jimenez-Blanco Carrillo de Albornoz which should be ascribed to the category of independent executive directors and the proposal for the re-election as executive Director of Mr. Luis Alfonso López de Herrera-Oria are submitted to the General Shareholders' Meeting according to the proposal made by the Appointments and Remuneration Committee.

Likewise, included below, separately, is the assessment of the Board of Directors of the competence, experience and merits of each of the Directors whose re-election is being proposed, in addition to their curriculum and Director category, pursuant the Regulations of the Company's General Shareholders' Meeting and Article 518 e) of the Spanish Companies Act.

**2. PRELIMINARY ANALYSIS**

Prior to the initial appointment on 5 June 2014, the Company carried out an analysis of the competence and biographical profiles required from Company Directors, with the aim of attracting talent which would be better aligned with Axiare's strategic objectives. Said analysis led to the appointment of the Directors whose re-election is being proposed to the General Shareholders' Meeting.

During the preparation of the re-election proposals, the Board of Directors has taken into account the following factors: the current and future objectives of Axiare and its Group; the suitability of the professional profiles of the candidates to the particular features of the

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Company's business; their experience and knowledge in business management, leadership and strategy; and, in particular, their level of performance and effective dedication to date.

The Board of Directors meets frequently (every month or, maximum, every two months), and the Appointments and Remuneration Committee meets usually before the Board of Directors meetings, so the Directors have an intense activity. It should be noted that all the orders for purchase or sell real estate assets, as well as the finance projects, have been approved by the Board of Directors.

The curriculum vitae and performance in the posts of the Directors whose re-election is being submitted to the General Shareholders' Meeting credits their competence as directors, their merits for holding such post, their long experience in sectors that are significant to the Company and its Group, and their in-depth knowledge in multiple fields of the business, which ensures a plurality of points of view in Board of Directors' debates.

Altogether, the proposed re-election of Directors being submitted to the General Shareholders' Meeting contributes to maintain the high level of quality achieved in the Board's composition.

Lastly, it has been verified that Mr. Luis Maria Arredondo Malo, Mr. Luis Alfonso López de Herrera-Oria, Mr. Fernando Bautista Sagües, and Mr. David Jimenez-Blanco Carrillo de Albornoz continue to meet the requirements of good reputation, suitability, solvency, competence, experience, qualifications, training, availability and commitment to the duties of the post, and they are not directly or indirectly involved in any situation that may cause incompatibility, prohibition, conflict or opposition of interests to the company's interest laid down in general regulations or in the internal rules and regulations.

So far, the current Board of Directors has been supported by the shareholders during the General Shareholders Meetings when reviewing the management and no suggestions haven been made in this regard. Thus, the reelection of the current Board members and the appointment of an international experienced new Director confirms the Board of Directors policy, supported by the shareholders, which has performed well by now, as proved by the share price evolution.

Madrid, 11 May 2017.

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**INDIVIDUAL REPORT PREPARED BY THE BOARD OF DIRECTORS OF AXIARE PATRIMONIO SOCIMI, S.A. IN RELATION TO THE PROPOSED RE-ELECTION OF MR. LUIS MARIA ARREDONDO MALO UNDER SECTION 1 OF ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CONVENED FOR 19 AND 20 JUNE 2017 ON FIRST AND SECOND CALL RESPECTIVELY**

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**1. Introduction.**

This explanatory report has been prepared by the Board of Directors of Axiare Patrimonio Socimi, S.A. (Axiare or the Company) in compliance with Article 529 decies of the Spanish Companies Act in relation to the proposed re-election of Mr. Luis Maria Arredondo Malo as Director.

In accordance with the aforementioned article, the Board of Directors must prepare an explanatory report valuating the competence, experience and merits of the proposed candidate, accompanied by a proposal prepared by the Appointments and Remuneration Committee, given that Mr. Luis Maria Arredondo Malo is classified as independent Director.

This report also includes the information referred in the Regulations of the General Shareholders' Meeting and in Article 518 of the Spanish Companies Act.

This report is also part of the framework report on the proposed re-election of Company Directors.

**2. Proposal by the Appointments and Remuneration Committee**

Attached to this report, as an Appendix, is the reasoned proposal prepared by the Appointments and Remuneration Committee at its meeting held on 11 May 2017 on the re-election of Mr. Luis Maria Arredondo Malo, which the Board of Directors has adopted in all its terms.

**3. Professional and personal background**

Non-executive independent Director and Chairman of the Board of Directors.

Mr. Luis Maria Arredondo Malo graduated as a civil engineer, Medal for Professional Merit of the College of Civil Engineers and also holds a master's degree "Executive Management Program" on IESE Business School (Universidad de Navarra).

From 1969 until 2017 he has held the following positions:

- General Manager of Constructora S.A.C.R.A., which belongs to C.F.E. Group from Belgium, Builder and concessionaire of highways, activity developed until 1978.

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- General Manager of “Corporación Inmobiliaria Hispamer”, Grupo Santander from 1980 to 1988. This Company developed representative office buildings in Madrid and Barcelona.
- Managing Director of “Inmobiliaria Zabálburu, S.A.” from 1988 to 1994. Promoter and property Company of offices in Madrid.
- Managing Director and President of Real State Company Urbis from 1994 to 2006. Urbis has been one of the biggest real state Companies and property Companies of the listed Companies of Madrid.
- President of Santante Global Property (Grupo Santander) from 2006 to 2013. In this Company he developed big projects in México D.F. Monterrey, Miami and Madrid.

Currently, he is Board Member of Axiare, as well as consultant.

Below is an updated summary on the main positions and participations in other companies of Mr. Arredondo Malo:

<b>Company</b>	<b>Position</b>	<b>% Participation</b>	<b>Listed Company (yes/no)</b>	<b>Executive Function (Yes/No)</b>
Nieve de Andalucía, S.A.	Chairman	80,69	No	Yes
Castellar Ingenieros, S.L.	Chairman	99,99	No	Yes
Olivarera del Condado	Director	18,01	No	No
Aljaral, S.A.	Director	100	No	Yes
Xiari de Negocios, S.A.	Chairman	-	No	No

#### **4. Availability.**

The Board has verified with the candidate for re-election his actual availability to provide the dedication required to perform the duties of the post.

#### **5. Assessment.**

The Board of Directors understands that Directors must appropriately combine sufficient capabilities and skills in the following fields in order to adequately perform their functions of supervision and control: (i) proven competence and experience, (ii) knowledge of the business in which the Company carries out its activity, (iii) dedication and involvement in the Company's businesses and (iv) knowledge in addition and supplementary to that relating to the Company's activity, such as financial matters.

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The performance in the Company of Mr. Luis Maria Arredondo Malo to date credits his competence, experience and merits for maintaining the position of Director. His extense experience and performance as Company Director ensures the provision of a plurality of points of view to debate in the Board of Directors.

The foregoing, and the reasons put forth by the Appointments and Remuneration Committee for said re-election (which this body adopts), has led the Board of Directors to consider the re-election of Mr. Luis Maria Arredondo Malo as Company Director to be justified and suitable, as it is convinced that such re-election will allow the continued service on the Board of Directors of a person who is considered valuable for the Company's activity.

In addition, his status as an independent Director will strengthen the role of the Board of Directors as an effective supervisory body.

#### **6. Director Category.**

Mr. Luis Maria Arredondo Malo has been proposed in view of his personal and professional attributes, to perform his duties without being conditioned by relations with the Company, its significant shareholders or the Company's Management Company, which makes him deserving of the status of independent Director.

#### **7. Dates of his first appointment as board member and posts held on the board of Directors.**

He was appointed as Company Director by the General Shareholder's Meeting of the Company, on 5 June 2014.

Mr. Arredondo is also Chairman of the Board of Directors and member of the Executive Committee and the Audit and Control of the Board of Directors Committee.

#### **8. Proposed resolution.**

In view of the foregoing, the Board of Directors deems it justified to propose the re-election of Mr. Luis Maria Arredondo Malo as an independent Director of the Company.

The proposed resolution to be submitted for the approval of the General Shareholders' Meeting is as follows:

“PROPOSED RESOLUTION:

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*Pursuant to the proposal of the Board of Directors and, in turn, the proposal of the Appointments and Remuneration Committee thereof, to re-elect Mr. Luis Maria Arredondo Malo, whose details are recorded in the Commercial Registry of Madrid, as Director of the Company for the statutory term provided for in the by-laws, with the status of independent Director."*

Madrid, 11 May 2017.

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**INDIVIDUAL REPORT PREPARED BY THE BOARD OF DIRECTORS OF AXIARE PATRIMONIO SOCIMI, S.A. IN RELATION TO PROPOSAL PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE RE-ELECTION OF MR. LUIS ALFONSO LÓPEZ DE HERRERA-ORIA UNDER SECTION 2 OF ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CONVENED FOR 19 AND 20 JUNE 2017 ON FIRST AND SECOND CALL RESPECTIVELY**

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**1. Introduction.**

This explanatory report has been prepared by the Board of Directors of Axiare Patrimonio Socimi, S.A. (Axiare or the Company) in compliance with Article 529 decies of the Spanish Companies Act in relation to the proposed re-election of Mr. Luis Alfonso López de Herrera-Oria as Director.

In accordance with the aforementioned article, the Board of Directors must prepare an explanatory report valuating the competence, experience and merits of the proposed candidate, accompanied by a proposal prepared by the Appointments and Remuneration Committee, given that Mr. Luis Alfonso López de Herrera-Oria is classified as executive Director.

This report also includes the information referred in the Regulations of the General Shareholders' Meeting and in Article 518 of the Spanish Companies Act.

This report is also part of the framework report on the proposed re-election of Company Directors.

**2. Proposal by the Appointments and Remuneration Committee for its re-election as executive Director.**

Attached to this report, as an Appendix, is the reasoned proposal prepared by the Appointments and Remuneration Committee at its meeting held on 11 May 2017 on the re-election of Mr Luis Alfonso López de Herrera-Oria, which the Board of Directors has adopted in all its terms.

**3. Professional and personal background.**

Independent executive Director, Vice-President of the Board of Directors and Managing Director of the Company.

Mr. Luis Alfonso López de Herrera-Oria has more than 25 years of professional experience in the real estate sector. He graduated in Economy from "Universidad Complutense de

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Madrid” and he is a current member of *Fellow* from Royal Institution of Chartered Surveyors (FRICS).

He was Manager of “Prima Inmobiliaria” (currently “Testa Inmuebles en Renta”) from 1986 to 2002. After his incorporation to “Prima Inmobiliaria”, this Company went public on Madrid Stock Exchange, and in 1990, it became the largest real estate company in Spain.

In 2002, Mr. López de Herrera-Oria founded Rodex. In 2007, the main business division was transferred to Alza Real Estate, where he has been its Managing Director, and actually he works as an independent non-executive Director.

From middle 2014, Mr. López de Herrera-Oria founded Axiare Patrimonio with the same managing team which worked on “Prima Inmobiliaria” (currently Testa), where he is Managing Director and executive vice-president of the Board of Directors.

Besides, he is also an independent member of the Boards of Directors of investment funds such as “Falcon II Real Estate”, founded by Morgan Stanley and CBRE, and Director of iAdvise Partners EAFI. He is a fellow member of the Royal Institution of Chartered Surveyors (FRICS).

#### **4. Availability.**

The Board has verified with the candidate for re-election his actual availability to provide the dedication required to perform the duties of the post.

#### **5. Assessment.**

The Board of Directors understands that Directors must appropriately combine sufficient capabilities and skills in the following fields in order to adequately perform their function of supervision and control: (i) proven competence and experience, (ii) knowledge of the business in which the Company carries out its activity, (iii) dedication and involvement in the Company's businesses and (iv) knowledge in addition and supplementary to that relating to the Company's activity, such as financial matters.

The performance in the Company of Mr. Luis Alfonso López de Herrera-Oria to date credits his competence, experience and merits for maintaining the post of Director.

His extensive experience and performance as Company Director ensures the provision of a plurality of points of view to debate in the Board of Directors.

The foregoing, and the reasons put forth by the Appointments and Remuneration Committee for said re-election (which this body adopts), has led the Board of Directors to consider the re-election of Mr. Luis Alfonso López de Herrera-Oria as Company executive

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Director to be justified and suitable, as it is convinced that such re-election will allow for continued service on the Board of Directors of a person who is considered valuable for the Company's activity.

Below is an updated summary on the main positions and participations in other companies of Mr. Lopez de Herrera-Oria:

<b>Company</b>	<b>Position</b>	<b>% Participation</b>	<b>Listed Company (Yes/No)</b>	<b>Executive Function (Yes/No)</b>
Rodex Asset Management, S.L.	Sole Director	100	No	Yes
Agrodesarrollos Integrados, S.L.	Sole Director	100	No	Yes
Inmodesarrollos Integrados, S.L.	Individual representative of Director	100	No	Yes
Puerto Feliz, S.A.	Individual representative of Director	78,88	No	Yes
Heracles Proyectos y Promociones Inmobiliarias, S.A.	Sole Director	100	No	Yes
Falcon II Real State	Independent Director		No	No
iAdvise PArtnets EAFI	Independent Director		No	No

## **6. Director category**

Mr. Luis Alfonso López de Herrera-Oria has been proposed in view of his personal and professional attributes, to perform his duties without being conditioned by relations with the Company, its significant shareholders or the Company's Management Company, which makes him deserving of the status of executive Director.

## **7. Dates of his first appointment as board member and posts held on the board of Directors.**

Mr. Luis Alfonso López de Herrera-Oria was appointed as Company Director by the General Shareholder's Meeting of the Company, on 5 June 2014.

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Mr. López de Herrera-Oria is also Vice-president of the Board of Directors, Managing Director of Axiare and Chairman of the Investments Committee.

#### **8. Proposed resolution.**

In view of the foregoing, the Board of Directors deems it justified to propose the re-election of Mr. Luis Alfonso López de Herrera-Oria as an executive Director of the Board of Directors of the Company.

The proposed resolution to be submitted for the approval of the General Shareholders' Meeting is as follows:

#### "PROPOSED RESOLUTION:

*Pursuant to the proposal of the Board of Directors and, in turn, the proposal of the Appointments and Remuneration Committee thereof, to re-elect Mr. Luis Alfonso López de Herrera-Oria, whose details are recorded in the Commercial Registry of Madrid, as Director of the Company for the statutory term provided for in the by-laws."*

Madrid, 11 May 2017.

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**INDIVIDUAL REPORT PREPARED BY THE BOARD OF DIRECTORS OF AXIARE PATRIMONIO SOCIMI, S.A. IN RELATION TO THE PROPOSED RE-ELECTION OF MR. FERNANDO BAUTISTA SAGÜES UNDER SECTION 3 OF ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CONVENED FOR 19 AND 20 JUNE 2017 ON FIRST AND SECOND CALL RESPECTIVELY**

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**1. Introduction.**

This explanatory report has been prepared by the Board of Directors of Axiare Patrimonio Socimi, S.A. (Axiare or the Company) in compliance with Article 529 decies of the Spanish Companies Act in relation to the proposed re-election of Mr. Fernando Bautista Sagües as Director.

In accordance with the aforementioned article, the Board of Directors must prepare an explanatory report valuating the competence, experience and merits of the proposed candidate, accompanied by a proposal prepared by the Appointments and Remuneration Committee, given that Mr. Fernando Bautista Sagües is classified as an independent Director.

This report also includes the information referred in the Regulations of the General Shareholders' Meeting and in Article 518 of the Spanish Companies Act.

This report is also part of the framework report on the proposed re-election of Company Directors.

**2. Proposal by the Appointments and Remuneration Committee**

Attached to this report, as an Appendix, is the reasoned proposal prepared by the Appointments and Remuneration Committee at its meeting held on 11 May 2017 on the re-election of Mr. Fernando Bautista Sagües, which the Board of Directors has adopted in all its terms.

**3. Professional and personal background**

Independent Director of Axiare.

Mr. Fernando Bautista Sagües is graduated in Law from "Universidad de Deusto" and bachelor in Business Administration from ICADE. Besides, he is member of Madrid Bar Association since 1981.

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Mr. Bautista became partner of the law firm “J&A Garrigues” in 1989 and, after the merge with Arthur Andersen, he became partner at Arthur Andersen Worldwide in 1996.

Two years later, in 1998, Mr. Fernando Bautista Sagües was appointed partner at “Freshfields”.

Currently, he advises in corporate and finance matters, he is Director of “Abante Asesores. S.A.”, and Secretary of the Corporate Social Responsibility Commission from Iberdrola, S.A.

#### **4. Availability.**

The Board has verified with the candidate for re-election his actual availability to provide the dedication required to perform the duties of the post.

#### **5. Assessment.**

The Board of Directors understands that Directors must appropriately combine sufficient capabilities and skills in the following fields in order to adequately perform their function of supervision and control: (i) proven competence and experience, (ii) knowledge of the business in which the Company carries out its activity, (iii) dedication and involvement in the Company's businesses and (iv) knowledge in addition and supplementary to that relating to the Company's activity, such as financial matters.

The performance in the Company of Mr. Fernando Bautista Sagües to date credits to his competence, experience and merits for maintaining the post of Director. His extensive experience and performance as Company Director ensures the provision of a plurality of points of view to debates in the Board of Directors.

The foregoing, and the reasons put forth by the Appointments and Remuneration Committee for said re-election (which this body adopts), has led the Board of Directors to consider the re-election of Mr. Fernando Bautista Sagües as Company Director to be justified and suitable, as it is convinced that such re-election will allow for continued service on the Board of Directors of a person who is considered valuable for the Company's activity.

In addition, his status as an independent Director will strengthen the role of the Board of Directors as an effective supervisory body.

#### **6. Director Category.**

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Mr. Fernando Bautista Sagües has been proposed in view of his personal and professional attributes, as he is able to perform his duties without being conditioned by relations with the Company, its significant shareholders or the Company's Management Company, which makes him deserving of the status of independent Director.

**7. Dates of his first appointment as board member and posts held on the board of Directors.**

He was appointed as Company Director by the General Shareholder's Meeting of the Company, on 5 June 2014.

Mr. Bautista Sagües is also vocal of the Board of Directors and Chairman of the Appointments and Remuneration Committee.

**8. Proposed resolution.**

In view of the foregoing, the Board of Directors deems it justified to propose the re-election of Mr. Fernando Bautista Sagües as an independent Director of the Company.

The proposed resolution to be submitted for the approval of the General Shareholders' Meeting is as follows:

"PROPOSED RESOLUTION:

*Pursuant to the proposal of the Board of Directors and, in turn, the proposal of the Appointments and Remuneration Committee thereof, to re-elect Mr. Fernando Bautista Sagües, whose details are recorded in the Commercial Registry of Madrid, as Director of the Company for the statutory term provided for in the by-laws, with the status of independent Director."*

Madrid, 11 May 2017.

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**INDIVIDUAL REPORT PREPARED BY THE BOARD OF DIRECTORS OF AXIARE PATRIMONIO SOCIMI, S.A. IN RELATION TO THE PROPOSED RE-ELECTION OF MR. DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ UNDER SECTION 4 OF ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CONVENED FOR 19 AND 20 JUNE 2017 ON FIRST AND SECOND CALL RESPECTIVELY**

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**1. Introduction.**

This explanatory report has been prepared by the Board of Directors of Axiare Patrimonio Socimi, S.A. (Axiare or the Company) in compliance with Article 529 decies of the Spanish Companies Act in relation to the proposed re-election of Mr. David Jimenez-Blanco Carrillo de Albornoz as Director.

In accordance with the aforementioned article, the Board of Directors must prepare an explanatory report valuating the competence, experience and merits of the proposed candidate, accompanied by a proposal prepared by the Appointments and Remuneration Committee, given that Mr. David Jimenez-Blanco Carrillo de Albornoz is classified as an independent Director.

This report also includes the information referred in the Regulations of the General Shareholders' Meeting and in Article 518 of the Spanish Companies Act.

This report is also part of the framework report on the proposed re-election of Company Directors.

**2. Proposal by the Appointments and Remuneration Committee.**

Attached to this report, as an Appendix, is the reasoned proposal prepared by the Appointments and Remuneration Committee at its meeting held on 11 May 2017 on the re-election of Mr. David Jimenez-Blanco Carrillo de Albornoz, which the Board of Directors has adopted in all its terms.

**3. Professional and personal background.**

Independent Director of Axiare.

Mr. David Jimenez-Blanco Carrillo de Albornoz is graduated in Business Administration from CUNEF. Likewise, Mr. David Jiménez-Blanco Carrillo de Albornoz worked in Goldman Sachs International between 1995 and 2006, as a responsible of the European accounts within the industrial sector and of the investment team in Spain and Portugal.

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Mr. David Jiménez-Blanco Carrillo de Albornoz was President of “Merrill Lynch Capital Markets España, S.A., Sociedad de Valores”, between 2006 y 2009, being Manager if the Operations Committee of Investment Bank for EMEA (Europe, Middle East and Africa).

Between 2010 and 2013, he founded “BK Partners”, which aimed to manage the investment to acquire assets in Mexico. Later on, he became Chief financial officer (CFO) World Duty Free SpA Group (WDF), leader company of airport retail business. He was independent Director of “Atento Inversiones y Teleservicios”.

Nowadays, Mr. David Jiménez-Blanco Carrillo de Albornoz is Chief Restructuring and Strategy Officer in Abengoa and he is Member Board of Directors of Gawa Capital Partners, S.L.

Below is an updated summary on the main positions and participations in other companies of Mr. Jiménez-Blanco Carrillo de Albornoz:

<b>Company</b>	<b>Position</b>	<b>% Participation</b>	<b>Listed Company (Yes/No)</b>	<b>Executive Function (Yes/No)</b>
Gawa Capital Partners, S.L.	Director		No	No

#### **4. Availability.**

The Board has verified with the candidate for re-election his actual availability to provide the dedication required to perform the duties of the post.

#### **5. Assessment.**

The Board of Directors understands that Directors must appropriately combine sufficient capabilities and skills in the following fields in order to adequately perform their function of supervision and control: (i) proven competence and experience, (ii) knowledge of the business in which the Company carries out its activity, (iii) dedication and involvement in the Company's businesses and (iv) knowledge in addition and supplementary to that relating to the Company's activity, such as financial matters.

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The performance in the Company of Mr. David Jimenez-Blanco Carrillo de Albornoz to date credits his competence, experience and merits for maintaining the post of Director. His extense experience and performance as Company Director ensures the provision of a plurality of points of view to debates in the Board of Directors.

The foregoing, and the reasons put forth by the Appointments and Remuneration Committee for said re-election (which this body adopts), has led the Board of Directors to consider the re-election of Mr. David Jimenez-Blanco Carrillo de Albornoz as Company Director to be justified and suitable, as it is convinced that such re-election will allow the continued service on the Board of Directors of a person who is considered valuable for the Company's activity.

In addition, his status as an independent Director will strengthen the role of the Board of Directors as an effective supervisory body.

#### **6. Director category.**

Mr. David Jimenez-Blanco Carrillo de Albornoz has been proposed in view of his personal and professional attributes, as he is able to perform his duties without being conditioned by relations with the Company, its significant shareholders or the Company's Management Company, which makes him deserving of the status of independent Director.

#### **7. Dates of his first appointment as board member and posts held on the board of Directors**

He was appointed as Company Director by the General Shareholder's Meeting of the Company, on 5 June 2014.

Mr. Jimenez-Blanco Carrillo de Albornoz is also member of the Board of Directors, President of Audit and Control Committee and member of the Appointments and Remuneration Committee.

#### **8. Proposed resolution.**

In view of the foregoing, the Board of Directors deems it justified to propose the re-election of Mr. David Jimenez-Blanco Carrillo de Albornoz as an independent Director of the Company.

The proposed resolution to be submitted for the approval of the General Shareholders' Meeting is as follows:

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“PROPOSED RESOLUTION:

*Pursuant to the proposal of the Board of Directors and, in turn, the proposal of the Appointments and Remuneration Committee thereof, to re-elect Mr. David Jimenez-Blanco Carrillo de Albornoz, whose details are recorded in the Commercial Registry of Madrid, as Director of the Company for the statutory term provided for in the by-laws, with the status of independent Director.”*

Madrid, 11 May 2017

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## **APPENDIX I**

### **PROPOSAL PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE RE-ELECTION OF MR. LUIS MARIA ARREDONDO MALO AS DIRECTOR BY THE GENERAL SHAREHOLDERS' MEETING.**

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#### **1. INTRODUCTION.**

The Appointments and Remuneration Committee of Axiare Patrimonio Socimi, S.A. (**Axiare** or the **Company**) submits this proposal for the re-election of Mr. Luis Maria Arredondo Malo as a Director of the Company in compliance with section 4 of Article 529 *decies* of the Spanish Companies Act and the Regulations of the Company's Board of Directors. Under the aforementioned article, the Appointments and Remuneration Committee must submit to the Board proposals for the re-election of independent Directors so that the latter may adopt such proposals and submit them to the General Meeting.

The proposal must be accompanied by an explanatory report of the Board assessing the competence, experience and merits of the proposed candidate, to be attached to the minutes of the General Meeting, in accordance with the Spanish Companies Act.

Pursuant to Article 11 of the Regulations of the Company's Board of Directors, Directors shall hold their post for a three-year term, and may be re-elected one or more times for periods of the same duration. In light of the foregoing, and taking into account that Mr. Luis Maria Arredondo Malo was appointed a Company Director on 5 June 2014, the Appointments and Remuneration Committee has examined the suitability of his re-election and carried out the appropriate verifications and evaluations.

This report contains the result of the work carried out by the Appointments and Remuneration Committee in relation to the possible re-election of Mr. Arredondo Malo and, pursuant to the Director's status as independent, the pertinent proposal is submitted to the Board.

#### **2. ASSESSMENT AND SUITABILITY OF THE CANDIDATE.**

The Appointments and Remuneration Committee, in view of the end of Mr. Luis Maria Arredondo Malo's term as Director, commenced the process of assessing his re-election as a Company Director.

In accordance with Recommendations of the Code of Good Governance, the Committee's analysis took account of the needs of the Board of Directors in drafting up the following proposal for Director re-election, having concluded that such re-election was reasonable.

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The Appointments and Remuneration Committee has taken into consideration the following main aspects:

- i) actual dedication, commitment and the quality of the work carried out to date by Mr. Luis Maria Arredondo Malo;
- ii) the good reputation, solvency and competence of Mr. Luis Maria Arredondo Malo;
- iii) the suitability of his background to the particular features of the Company's business;
- iv) the availability of adequate competence, experience and merit for holding the post of Director; and
- v) the receipt of favorable assessments from other Directors and, in particular, from independent Directors, in relation to his re-election as an independent Director of the Company.

Consequently, the Committee believes that the re-election of Mr. Luis Maria Arredondo Malo as an independent Director of the Company will bring unquestionable benefits to the Board of Directors.

### **3. DIRECTOR CATEGORY.**

Taking account of Mr. Luis Maria Arredondo Malo's background, it must be concluded that he qualifies as an independent Director.

### **4. VERIFICATION OF COMPLIANCE WITH REQUIREMENTS TO SERVE AS A COMPANY DIRECTOR.**

The Appointments and Remuneration Committee has verified that the candidate for re-election continues to meet the general requirements applicable to any Company Director, as laid down in law and in internal rules and regulations.

### **5. CONCLUSION.**

Therefore, the Appointments and Remuneration Committee has unanimously resolved to propose the re-election of Mr. Luis Maria Arredondo Malo as Director of the Company, with the status of independent, and his continued service on the Audit and Control Committee.

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## **APPENDIX II**

### **PROPOSAL PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE COMPANY BOARD OF DIRECTORS ON THE RE-ELECTION OF MR. LUIS ALFONSO LÓPEZ DE HERRERA-ORIA AS EXECUTIVE DIRECTOR BY THE GENERAL SHAREHOLDERS' MEETING.**

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#### **1. INTRODUCTION.**

The Appointments and Remuneration Committee of Axiare Patrimonio Socimi, S.A. (**Axiare** or the **Company**) submits this proposal for the re-election of Mr. Luis Alfonso López De Herrera-Oria as an executive Director of the Company in compliance with section 4 of Article 529 *decies* of the Spanish Companies Act and the Regulations of the Company's Board of Directors. Under the aforementioned articles, the Appointments and Remuneration Committee must submit to the Board proposals for the re-election of Directors, and if it is related to independent Director, report from the Appointments and Remuneration Committee is required.

The report from the Appointments and Remuneration Committee abovementioned must be accompanied by an explanatory report of the Board assessing the competence, experience and merits of the proposed candidate, to be attached to the minutes of the General Meeting, in accordance with the Spanish Companies Act.

Pursuant to Article 11 of the Regulations of the Company's Board of Directors, Directors shall hold their post for a three-year term, and may be re-elected one or more times for periods of the same duration. In light of the foregoing, and taking into account that Mr. Luis Alfonso López de Herrera-Oria was appointed a Company Director on 5 June 2014, the Appointments and Remuneration Committee has examined the suitability of his re-election and carried out the appropriate verifications and evaluations.

This report contains the result of the work carried out by the Appointments and Remuneration Committee in relation to the possible re-election of Mr. López de Herrera-Oria and, pursuant to the Director's status as executive Director, the pertinent proposal is submitted to the Board.

#### **2. ASSESSMENT AND SUITABILITY OF THE CANDIDATE.**

The Appointments and Remuneration Committee, in view of the end of Mr. Luis Alfonso López de Herrera-Oria's term as Director, commenced the process of assessing his re-election as a Company Director.

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In accordance with Recommendations of the Code of Good Governance, the Committee's analysis took account of the needs of the Board of Directors in drafting up the following proposal for Director re-election, having concluded that such re-election was reasonable.

The Appointments and Remuneration Committee has taken into consideration the following main aspects:

- i) actual dedication, commitment and the quality of the work carried out to date by Mr. Luis Alfonso López de Herrera-Oria;
- ii) the good repute, solvency and competence of Mr. Luis Alfonso López de Herrera-Oria;
- iii) the suitability of his background to the particular features of the Company's business;
- iv) the availability of adequate competence, experience and merit for holding the post of Director; and
- v) the receipt of favorable assessments from other Directors and, in particular, from independent Directors, in relation to his re-election as an independent Director of the Company.

Consequently, the Committee believes that the re-election of Mr. Luis Alfonso López de Herrera-Oria as an executive Director of the Company will bring unquestionable benefits to the Board of Directors.

### **3. DIRECTOR CATEGORY.**

Taking account of Mr. Luis Alfonso López de Herrera-Oria's background, it must be concluded that he qualifies as an executive Director.

### **4. VERIFICATION OF COMPLIANCE WITH REQUIREMENTS TO SERVE AS A COMPANY DIRECTOR.**

The Appointments and Remuneration Committee has verified that the candidate for re-election continues to meet the general requirements applicable to any Company Director, as laid down in law and in internal rules and regulations

### **5. CONCLUSION.**

Therefore, the Appointments and Remuneration Committee has unanimously resolved to propose the re-election of Mr. Luis Alfonso López de Herrera-Oria as executive Director of the Company, with the status of executive Director, and his continued service as Chairman on the Investments Committee.

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### **APPENDIX III**

#### **PROPOSAL PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE RE-ELECTION OF MR. FERNANDO BAUTISTA SAGÜES AS DIRECTOR BY THE GENERAL SHAREHOLDERS' MEETING.**

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##### **1. INTRODUCTION.**

The Appointments and Remuneration Committee of Axiare Patrimonio Socimi, S.A. (**Axiare** or the **Company**) submits this proposal for the re-election of Mr. Fernando Bautista Sagües as a Director of the Company in compliance with section 4 of Article 529 *decies* of the Spanish Companies Act and the Regulations of the Company's Board of Directors. Under the aforementioned article, the Appointments and Remuneration Committee must submit to the Board proposals for the re-election of independent Directors so that the latter may adopt such proposals and submit them to the General Meeting.

The proposal must be accompanied by an explanatory report of the Board assessing the competence, experience and merits of the proposed candidate, to be attached to the minutes of the General Meeting, in accordance with the Spanish Companies Act.

Pursuant to Article 11 of the Regulations of the Company's Board of Directors, Directors shall hold their post for a three-year term, and may be re-elected one or more times for periods of the same duration. In light of the foregoing, and taking into account that Mr. Fernando Bautista Sagües was appointed a Company Director on 5 June 2014, the Appointments and Remuneration Committee has examined the suitability of his re-election and carried out the appropriate verifications and evaluations.

This report contains the result of the work carried out by the Appointments and Remuneration Committee in relation to the possible re-election of Mr. Bautista Sagües and, pursuant to the Director's status as independent, the pertinent proposal is submitted to the Board.

##### **2. ASSESSMENT AND SUITABILITY OF THE CANDIDATE.**

The Appointments and Remuneration Committee, in view of the end of Mr. Fernando Bautista Sagües's term as Director, commenced the process of assessing his re-election as a Company Director.

In accordance with Recommendations of the Code of Good Governance, the Committee's analysis took account of the needs of the Board of Directors in drafting up the following proposal for Director re-election, having concluded that such re-election was reasonable.

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The Appointments and Remuneration Committee has taken into consideration the following main aspects:

- i) actual dedication, commitment and the quality of the work carried out to date by Mr. Fernando Bautista Sagües;
- ii) the good reputation, solvency and competence of Mr. Fernando Bautista Sagües;
- iii) the suitability of his background to the particular features of the Company's business;
- iv) the availability of adequate competence, experience and merit for holding the post of Director; and
- v) the receipt of favorable assessments from other Directors and, in particular, from independent Directors, in relation to his re-election as an independent Director of the Company.

Consequently, the Committee believes that the re-election of Mr. Fernando Bautista Sagües as an independent Director of the Company will bring unquestionable benefits to the Board of Directors.

### **3. DIRECTOR CATEGORY.**

Taking account of Mr. Fernando Bautista Sagües' background, it must be concluded that he qualifies as an independent Director.

### **4. VERIFICATION OF COMPLIANCE WITH REQUIREMENTS TO SERVE AS A COMPANY DIRECTOR.**

The Appointments and Remuneration Committee has verified that the candidate for re-election continues to meet the general requirements applicable to any Company Director, as laid down in law and in internal rules and regulations.

### **5. CONCLUSION.**

Therefore, the Appointments and Remuneration Committee has unanimously resolved to propose the re-election of Mr. Fernando Bautista Sagües as Director of the Company, with the status of independent, and his inclusion on the Audit and Control Committee and on the Appointments and Remunerations Committee.

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#### **APPENDIX IV**

### **PROPOSAL PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE RE-ELECTION OF MR. DAVID JIMENEZ-BLANCO CARILLO DE ALBORNOZ AS DIRECTOR BY THE GENERAL SHAREHOLDERS' MEETING.**

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#### **1. INTRODUCTION.**

The Appointments and Remuneration Committee of Axiare Patrimonio Socimi, S.A. (**Axiare** or the **Company**) submits this proposal for the re-election of Mr. David Jimenez-Blanco Carillo de Albornoz as a Director of the Company in compliance with section 4 of Article 529 *decies* of the Spanish Companies Act and the Regulations of the Company's Board of Directors. Under the aforementioned article, the Appointments and Remuneration Committee must submit to the Board proposals for the re-election of independent Directors so that the latter may adopt such proposals and submit them to the General Meeting.

The proposal must be accompanied by an explanatory report of the Board assessing the competence, experience and merits of the proposed candidate, to be attached to the minutes of the General Meeting, in accordance with the Spanish Companies Act.

Pursuant to Article 11 of the Regulations of the Company's Board of Directors, Directors shall hold their post for a three-year term, and may be re-elected one or more times for periods of the same duration. In light of the foregoing, and taking into account that Mr. David Jimenez-Blanco Carillo de Albornoz was appointed a Company Director on 5 June 2014, the Appointments and Remuneration Committee has examined the suitability of his re-election and carried out the appropriate verifications and evaluations.

This report contains the result of the work carried out by the Appointments and Remuneration Committee in relation to the possible re-election of Mr. David Jimenez-Blanco Carillo de Albornoz and, pursuant to the Director's status as independent, the pertinent proposal is submitted to the Board.

#### **2. ASSESSMENT AND SUITABILITY OF THE CANDIDATE.**

The Appointments and Remuneration Committee, in view of the end of Mr. David Jimenez-Blanco Carillo de Albornoz's term as Director, commenced the process of assessing his re-election as a Company Director.

In accordance with Recommendations of the Code of Good Governance, the Committee's analysis took account of the needs of the Board of Directors in drafting up the following proposal for Director re-election, having concluded that such re-election was reasonable.

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The Appointments and Remuneration Committee has taken into consideration the following main aspects:

- i) actual dedication, commitment and the quality of the work carried out to date by Mr. David Jimenez-Blanco Carillo de Albornoz;
- ii) the good reputation, solvency and competence of Mr. David Jimenez-Blanco Carillo de Albornoz;
- iii) the suitability of his background to the particular features of the Company's business;
- iv) the availability of adequate competence, experience and merit for holding the post of Director; and
- v) the receipt of favorable assessments from other Directors and, in particular, from independent Directors, in relation to his re-election as an independent Director of the Company.

Consequently, the Committee believes that the re-election of Mr. David Jimenez-Blanco Carillo de Albornoz as an independent Director of the Company will bring unquestionable benefits to the Board of Directors.

### **3. DIRECTOR CATEGORY.**

Taking account of Mr. David Jimenez-Blanco Carillo de Albornoz' background, it must be concluded that he qualifies as an independent Director.

### **4. VERIFICATION OF COMPLIANCE WITH REQUIREMENTS TO SERVE AS A COMPANY DIRECTOR.**

The Appointments and Remuneration Committee has verified that the candidate for re-election continues to meet the general requirements applicable to any Company Director, as laid down in law and in internal rules and regulations.

### **5. CONCLUSION.**

Therefore, the Appointments and Remuneration Committee has unanimously resolved to propose the re-election of Mr. David Jimenez-Blanco Carrillo de Albornoz as Director of the Company, with the status of independent, and his continued service on the Audit and Control Committee and on the Appointments and Remunerations Committee.

**COMPLEMENTARY REPORT TO ANNUAL REPORT ABOUT REMUNERATION OF DIRECTORS, ON 23  
FEBRUARY 2017, FROM THE APPOINTMENTS AND REMUNERATION COMMITTEE OF AXIARE  
PATRIMONIO SOCIMI, S.A.**

**1. Introduction.**

Pursuant to the competences granted in favour of the Appointments and Remuneration Committee (the “**Committee**”) of Axiare Patrimonio Socimi, S.A. (the “**Company**”), related to the remuneration of the Board of Directors members and executive committee; the Committee, within its meeting on 23 February of 2016, agreed the remuneration proposal for the Board of Directors members, as well as the executive committee, to be submitted it to the Board of Directors.

Likewise, the Committee analysed and approved the terms of the Annual Report of Directors Remuneration and the Annual Report of Corporate Governance to its approval by the Board of Directors.

On 23 February 2016, the proposal of remuneration and the Annual Report of Remuneration were approved by the Board of Directors.

Nevertheless, the Committee on its meeting on 11 February 2017, considers to issue this complementary report to annual report about remuneration of Directors in order to provide further details about Vice-Chairman and Managing Director remuneration, to be submitted to the Board of Directors. The Managing Director remuneration consist on a fixed amount and a variable amount or “bonus”, as well as his participation in the Stock Incentive Plan, which will supplementary to the annual bonus. The Stock Incentive Plan, whose conditions have been published by the Company on the capital raise prospectus of 2015, has a term of 7 years and it will be accrued year to year up to its conclusion. Additionally, by virtue of the agreement of services subscribed with the Company and in the event of resolution without justified cause, the Managing Director will be entitled to obtain a compensation in cash equal to two years of fixed remuneration or, if this will be higher, equal to the compensation which should be applicable for the unfair dismissal in accordance with the Spanish Workers Statute in force. Such compensation may not be higher than two years of the fixed remuneration above-mentioned since the Managing Director may not accumulate the sufficient seniority so that the compensation foreseen in the Workers Statute is higher than two years of fixed remuneration. Additionally, the agreement subscribed between the Company and the Managing Director does not establish any non-compete post-contractual clause and, for this reason no compensation, is foreseen in this regard.

The components which have been determinant to fix the variable amount of the Managing Director, have been the following.

## **2. Components to determine the variable remuneration.**

Pursuant to section A.1 of the Annual Report of Remuneration and the bonus plan of the Company, the Managing Director is entitled to obtain an annual bonus up to 25% of his fix remuneration, as long as the goals set forth by the Board of Directors are reached, and the payment of such bonus is also approved by the Board of Directors. The total fix remuneration and variable remuneration that the Managing Director obtain is limited to 1% of the capital share and share premium of the company, as the rest of the employees of the company, which imply an amount much lower to the rest of the company of the sector.

As additional information of the Annual Report of Remuneration, the Committee proceeds to detail below the main elements used to calculate the annual bonus for Managing Director, regarding financial year closed as of by 31 December 2016:

### *a) Stock Price evolution:*

- From 31 December of 2015, the Company is included within the IBEX Small Cap, and its shares (AXIA: MCE) valued on 31 December 2015 at EUR 13.20, which means an increase of +27.1% within 12 months period, and an increase of +40.3% from Company's IPO on July 2014.
- Shares performed better, in a 12 months period, that reference Index EPRA Developed EMEA (+15.1%) and IBEX 35 (-7.2%).
- The average trading volume during the second semester valued EUR 2 Million, which represents a 0.25% of Company's market capitalization. The average trading volume increased during the second semester of 2015, triple the average volume trading for the previous semester.

### *b) Investments:*

- EUR 339 million invested (90% came from the capital increase with rights) on 14 purchases, mostly "off-market", and all of them in accordance with Company's investment strategy (84% offices and logistic areas in Madrid and Barcelona).
- To identify investments opportunity "off-market". Most of the investments were accomplished due to Managing Director contacts within the real estate market.

*c) Leases:*

- 33,103m2 signed on new lease agreements, and 113,693m2 renegotiated.
- 90% portfolio's occupancy rate, provided increases in all segments.

*d) Repositioning:*

- First repositioning completed (35,248m2) and certificated by BREEAM.
- Good progress, according to execution plan of 2 repositioning's from the offices in Madrid CBD (9,498m2).
- 3 projects of repositioning defined and y compromised (37,526m2).

*e) Investors relations:*

- Substantial increased of the hedge of analysts (from 0 in 2014 to 11 by the end of 2015), including 6 banks and, four of them global banks. Average fair price in 2015: EUR 14/share, y frequently as top pick on 4 analysis firms.
- High effort by the Managing Director to get the Company known within new investments firms, in order to provide liquidity to the share: more than 200 meetings during the year (expanding the financial markets visited), and being part of several conferences.
- Close relationship with more than 60% of the shareholders.

*f) Others:*

- Managing team consolidation.
- Efficient structure.
- Capital increase successfully performed (EUR 395 million, with an issue Premium of 10% and rights).

All the above mentioned has been taking into account separately from the Board of Directors, from and independent perspective. During the financial year closed as of 31 December 2015, his dedication, performance, management and leadership has been outstanding. Due to all described above, the Committee considers the Managing Director has performed well and he has accomplished the goals

set out by the Board of Directors. The Committee finally states that variable remuneration obtained from the Managing Director is completely justified.

Finally, the Committee considers appropriate to clarify the reason of the increase of the Directors' remuneration in a total amount of Euros 25,000 each. The initial remuneration, Euros 75,000 for each independent vocal of the Board of Directors and Euros 100,000 for the Chairman, was determined in the first General Shareholders' Meeting based on an estimation of occupation and dedication which was much lower than the effective occupation. Initially, an annual volume of four meetings of the Board of Directors and some other additional meetings, was considered. During the fiscal year 2014, the activity of the Board of Director was higher than the initially established. Nevertheless, the Committee considered not to increase the remunerations since it could be understood that the higher volume of activity was produced due to the first year of activity after the initial public offering of the Company.

During fiscal year 2015, the activity of the directors was maintained and increased. Additionally, all its members are, as well members of the Appointments and Remunerations Committee, Audit and Control Committee and Investments Committee. Furthermore, taking into account the legislative development which imply changes for the listed companies and the increase of the control obligations which are mandatory for the committee, the volume of work for the directors has been increased and specialized.

For all the above-mentioned, taking into account that during 2015 the activity has been higher and more intense and that this increase correspond with the real activity of the Company, the Committee considered appropriate to increase the directors' remuneration in Euros 25,000 for all of them, so that the remuneration of Axiare's directors is equalized to other real estate listed companies although being lower than them. The Committee concludes that the increase of the remuneration obtained by the directors is completely justified.