



NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 227 of the Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act, Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**") hereby informs the National Securities Market Commission of the following

OTHER RELEVANT INFORMATION

Lar España informs that the Board of Directors of the Company resolved to call the ordinary general shareholders' meeting, which will be held in Madrid, at Príncipe de Vergara 187, Plaza de Rodrigo Uría, on 16 March 2020, at 12:00 on first call, or, if the required quorum is not met, on second call, on 17 March 2020, at the same place and time. It is expected that the ordinary general shareholders' meeting will be held on second call, on 17 March 2020.

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

Madrid, on 14 February 2020.

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



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LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

2020 ORDINARY GENERAL SHAREHOLDERS' MEETING

PLACE, DATE AND TIME OF THE MEETING

The Board of Directors of Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**") has resolved to call the Ordinary General Shareholders Meeting, which will be held in Madrid, at Príncipe de Vergara 187, Plaza de Rodrigo Uría, on March 16, 2020, at 12:00 on first call, or, if the required quorum is not met, on March 17, 2020, at the same place and time, on second call.

It is expected that the Ordinary General Shareholders Meeting will be held on second call, on March 17 2020, at the indicated place and time, unless shareholders are otherwise informed through announcements published in the same newspaper in which this announcement is published, on the company's website (www.larespana.com), as well as through the corresponding material fact sent to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

AGENDA

I. Annual accounts and management of the Company:

- One.-** Approval, if appropriate, of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for financial year 2019.
- Two.-** Approval, if appropriate, of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2019.
- Three.-** Approval, if appropriate, of the Board of Directors' management and activities during financial year 2019.

II. Dividend distribution:

- Four.-** Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for financial year 2019.

III. Company's auditor:

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

IV. Board of Directors:

- Six.-** Re-election, if appropriate, of directors of the Company.
 - 1. Re-election of Mr. José Luis del Valle Doblado as independent director of the Company for the statutory period of three years.
 - 2. Re-election of Mr. Alec Emmott as independent director of the Company for the statutory period of three years.



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3. Re-election of Mr. Roger Maxwell Cooke MBE as independent director of the Company for the statutory period of three years.
4. Re-election of Mr. Miguel Pereda Espeso as proprietary director of the Company for the statutory period of three years.
5. Item included for informative purposes only and, therefore, not subject to vote: where applicable, potential appointment of a member of the Board of Directors by LVS II Lux XII S.à r.l. (PIMCO) as a result of the exercise of the right to proportional representation.

Seven.- Waiver of the prohibitions set out in article 229 of the Spanish Companies Law in accordance with the provisions of article 230 thereof in relation to director Mr. Miguel Pereda Espeso.

V. General matters:

Eight.- Delegation of powers to formalize and implement all resolutions adopted by the Ordinary General Shareholders Meeting, to convert them into public instruments and to interpret, correct, supplement, elaborate upon and register such resolutions.

VI. Consultative vote:

Nine.- Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2019.

VII. Informative matters:

Ten.- Acknowledgement of the amendments of the Board of Directors' Regulations and the Audit and Control Committee's Regulations.

Eleven.- Acknowledgement of the approval of the Appointments and Remunerations Committee's Regulations.

PARTICIPATION: ATTENDANCE, PROXY REPRESENTATION AND ABSENTEE VOTING

All holders of voting shares who have caused such shares to be registered in their name in the corresponding book-entry register not later than March 11, 2020 or March 12, 2020, depending on whether it is held on first or second call, respectively, may attend and participate in the Ordinary General Shareholders Meeting, with the rights to be heard and to vote.

All shareholders having the right to attend may be represented at the Ordinary General Shareholders Meeting by another person, even though not a shareholder.

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

Proxies and absentee votes cast by postal or electronic correspondence must, as a general rule, be



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received by the Company before 24:00 on March 15, 2020.

AVAILABLE INFORMATION AND DOCUMENTATION

Until the fifth day prior to the Shareholders' Meeting, inclusive, shareholders may request in writing the information or clarifications that they deem are required, or ask the written questions they deem relevant, regarding the matters included in the agenda of the call to meeting, the information accessible to the public that has been provided by the Company to the Spanish National Securities Market Commission and the audit reports on the individual annual accounts and management report of the Company and on the annual accounts and management report of the Company consolidated with those of its subsidiaries for financial year 2019.

As from the date of publication of this announcement of the call to meeting, the following documents and information are made continuously available to the shareholders on the Company's corporate website (www.larespana.com): (1) this announcement of the call to meeting; (2) the form of attendance, proxy and absentee voting card; (3) the full text of the proposed resolutions corresponding to the items included in the agenda of the call to meeting, together with the respective reports of the Board of Directors and its Committees that, where appropriate, are required by Law; (4) in relation to the directors whose re-election is proposed to the General Meeting, their background and professional experience; directorships held in other relevant companies, either listed or not; the director's class to which they belong; the date of their first appointment as a Company director; and shares and share options held in the Company; (5) the individual annual accounts of the Company and the annual accounts of the Company consolidated with those of its subsidiaries for financial year 2019 and the respective audit reports; (6) the Company's individual management report and the management report of the Company consolidated with that of its subsidiaries for financial year 2019; (7) the directors' statement of responsibility provided for in article 118 of Royal Legislative Decree 4/2015, approving the consolidated text of the Securities Market Law (*Ley del Mercado de Valores*), which, together with the documents set forth in the two preceding items, constitute the annual financial report for financial year 2019; (8) the annual corporate governance report for financial year 2019; (9) the annual director remuneration report for financial year 2019; (10) the report prepared by the Audit and Control Committee of the Company on its functions during the financial year 2019; (11) the annual report prepared by the Appointments and Remunerations Committee regarding financial year 2019; (12) the report prepared by the Audit and Control Committee regarding the independence of the external auditor; (13) the report prepared by the Audit and Control Committee regarding related transactions; (14) the reports prepared by the Board of Directors regarding the amendments of its Regulations and the Regulations of the Audit and Control Committee and the approval of the Regulations of the Appointments and Remunerations Committee; (15) the procedures and requirements for accrediting ownership of the Company's shares and the Shareholders' Meeting attendance right, as well as the applicable rules regarding proxy representation; (16) a description of the shareholder's information right; (17) the rules of the Electronic Shareholders' Forum; and (18) information regarding the total number of shares and voting rights on the date of publication of this announcement of call to meeting.

Furthermore, shareholders have the right to examine at the Company's registered office and to request the immediate delivery or shipping without charge (which may be carried out by e-mail, with



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confirmation of receipt, if the shareholder accepts this form of delivery) of a copy of the individual annual accounts and management reports of the Company and those consolidated with its subsidiaries, together with the respective audit reports, for financial year 2019, of the proposed resolutions, of the mandatory directors' reports, and of the other documents that must be made available to the shareholders in connection with the holding of this Ordinary General Shareholders Meeting.

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

Until February 19, 2020, inclusive, shareholders representing at least 3% of the share capital may request the publication of a supplement to the call to the Ordinary General Shareholders Meeting including one or more items in the agenda, provided such new items are accompanied by the rationale therefor or, if appropriate, by a duly substantiated proposal for a resolution, and submit well-founded proposed resolutions on matters already included or that must be included in the agenda of the call to meeting. Such rights must be exercised by duly authenticated notice that must be received at the registered office of the Company.

COMMON PROVISIONS APPLICABLE TO THE RIGHTS OF THE SHAREHOLDERS

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

OTHER SIGNIFICANT ASPECTS

The Board of Directors has resolved to request the presence of a Notary Public to record the minutes of the Ordinary General Shareholders Meeting pursuant to article 203 of the Spanish Companies Law (*Ley de Sociedades de Capital*), read together with article 101 of the Regulations of the Commercial Registry (*Reglamento del Registro Mercantil*).

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

PERSONAL DATA PROTECTION

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



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limitation period would apply.

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

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

In Madrid, on February 14, 2020

The Secretary of the Board of Directors



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PROPOSED RESOLUTIONS ORDINARY GENERAL SHAREHOLDERS MEETING OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. 2020

ITEM ONE ON THE AGENDA

Approval, if appropriate, of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for financial year 2019

RESOLUTION

To approve the individual annual accounts of Lar España Real Estate SOCIMI, S.A. (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and notes) and the annual accounts of the Company consolidated with those of its subsidiaries (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and notes) for the financial year ended on 31 December 2019, which were drawn up by the Board of Directors at its meeting held on 13 February 2020.



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ITEM TWO ON THE AGENDA

Approval, if appropriate, of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2019

RESOLUTION

To approve the individual management report of Lar España Real Estate SOCIMI, S.A. and the management report of Lar España Real Estate SOCIMI, S.A. consolidated with that of its subsidiaries for the financial year 2019, which were drawn up by the Board of Directors at its meeting held on 13 February 2020.



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ITEM THREE ON THE AGENDA

Approval, if appropriate, of the Board of Directors' management and activities during financial year 2019

RESOLUTION

To approve the management of the Company and the activities of the Board of Directors of Lar España Real Estate SOCIMI, S.A. during the financial year ended on 31 December 2019.



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ITEM FOUR ON THE AGENDA

Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for financial year 2019

RESOLUTION

To approve the proposed allocation of profits and distribution of dividends prepared by the Board of Directors at its meeting held on 13 February 2020, which is described below:

To distribute, with a charge to the results for the financial year ended on 31 December 2019, a gross dividend of EUR 0.6276 for each share of Lar España Real Estate SOCIMI, S.A.

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

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

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

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

BASIS FOR DISTRIBUTION:

Profits for financial year 2019:EUR 61,111 thousand

DISTRIBUTION:

To legal reserve (minimum amount): EUR 6,111 thousand

To dividends (maximum amount to distribute corresponding to a fixed dividend of EUR 0.6276 (gross) per share):..... EUR 55,000 thousand

TOTAL: EUR 61,111 thousand

The distribution shall be enforceable and payable 30 days after the date of the decision adopted by the General Meeting and will be distributed through the entities members of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (IBERCLEAR). The Board of Directors is hereby authorised for such purpose, with express power of substitution, to designate the entity that is to act as paying agent, and to take such other steps as may be required or appropriate for the successful completion of the distribution.



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ITEM FIVE ON THE AGENDA

Re-election, if appropriate, of the Company's auditor

RESOLUTION

Renew the appointment of Deloitte, S.L. as auditor of the Company's individual and consolidated accounts, for the year starting on 1 January 2020. Deloitte, S.L. has its registered office at Plaza Pablo Ruiz Picasso 1, Torre Picasso, 28020 Madrid, Spain, holds Spanish tax identification number B-79104469 and is registered with the Commercial Registry of Madrid at volume 13,650, section 8, sheet 188, page M-54,414, record 96^a, and at the Official Registry of Accounts' Auditors (*Registro Oficial de Auditores de Cuentas*) with number S0692.

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

ITEM SIX ON THE AGENDA

Re-election, if appropriate, of directors of the Company.

6.1 Re-election of Mr. José Luis del Valle Doblado as independent director of the Company for the statutory period of three years

RESOLUTION

Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. José Luis del Valle Doblado as member of the Board, under the category of "independent director", for the statutory period of three years.

6.2 Re-election of Mr. Alec Emmott as independent director of the Company for the statutory period of three years

RESOLUTION

Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Alec Emmott as member of the Board, under the category of "independent director", for the statutory period of three years.

6.3 Re-election of Mr. Roger Maxwell Cooke MBE as independent director of the Company for the statutory period of three years

RESOLUTION

Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Roger Maxwell Cooke MBE as member of the Board, under the category of "independent director", for the statutory period of three years.

6.4 Re-election of Mr. Miguel Pereda Espeso as proprietary director of the Company for the statutory period of three years

RESOLUTION

Based on the proposal of the Board of Directors and following the favourable report of the Appointments and Remunerations Committee, to re-elect Mr. Miguel Pereda Espeso as member of the Board, under the category of "proprietary director", for the statutory period of three years.

6.5 Where applicable, potential appointment of a member of the Board of Directors by LVS II Lux XII S.à r.l. (PIMCO) as a result of the exercise of the right to proportional representation

THIS ITEM IS INCLUDED FOR INFORMATION PURPOSES ONLY AND, THEREFORE, WILL NOT BE SUBJECT TO VOTE

In light of the information provided by LVS II Lux XII S.à r.l. (PIMCO), the Company hereby informs that it has knowledge that the director Mr. Laurent Luccioni is planning on tendering his resignation as a member of the Board of Directors with the sole purpose of creating a vacancy in the Board of Directors and allowing LVS II Lux XII S.à r.l. (PIMCO) to exercise its right to proportional representation. Consequently, it is expected that, once the vacancy has been created, the referred shareholder will exercise its right to proportional representation and appoint Mr. Laurent Luccioni as a director and



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Mr. George Graham as his substitute, whose professional profiles have been made available to all shareholders at the Company's corporate website.



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ITEM SEVEN ON THE AGENDA

Waiver of the prohibitions set out in article 229 of the Spanish Companies Law in accordance with the provisions of article 230 thereof in relation to director Mr. Miguel Pereda Espeso.

RESOLUTION

In line with the authorisation granted by the Ordinary General Shareholders' Meeting of 2016 and renewed by the Ordinary General Shareholders' Meeting of 2017, in accordance with article 230 of the Spanish Companies Law (*Ley de Sociedades de Capital*), to renew the express authorisation to director Mr. Miguel Pereda Espeso to perform his duties as member of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (managing company of Lar España) and other companies of its group, even when their activities may be analogous or complementary to that of the Company, given these actions may not harm Lar España and any conflict of interest situation that may arise in the exercise of his office as Company director is subject to the applicable law and to the provisions of the Investment Management Agreement executed by the Company and Grupo Lar on 12 February 2014 and amended on 19 February 2018.

Likewise, in accordance with article 230 of the Spanish Companies Law, Mr. Miguel Pereda Espeso is expressly authorised to obtain a remuneration from Grupo Lar Inversiones Inmobiliarias, S.A. or other companies of its group for the duties perform therein, included the duties to represent this company in the Board of Directors of Lar España.

ITEM EIGHT ON THE AGENDA

Delegation of powers to formalize and implement all resolutions adopted by the Ordinary General Shareholders Meeting, to convert them into public instruments and to interpret, correct, supplement, elaborate upon and register such resolutions.

RESOLUTION

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

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



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ITEM NINE ON THE AGENDA

Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2019

RESOLUTION

To approve, on a consultative basis, the Annual Directors' Remuneration Report for financial year 2019, the full text of which was made available to shareholders together with the other documentation relating to the General Shareholders Meeting from the date of publication of the announcement of the call to meeting.



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ITEM TEN ON THE AGENDA

Acknowledgement of the amendments of the Board of Directors' Regulations and the Audit and Control Committee's Regulations

RESOLUTION

To acknowledge the amendments of the Board of Directors' Regulations and the Audit and Control Committee's Regulations approved by the Board at its meeting held on 12 December 2019. These amendments are aimed to introduce the provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on Appointments and Remunerations Committees with respect to the composition and functioning of the Appointments and Remunerations Committee and in accordance with the recommendations of the Listed Companies' Good Governance Code published in 2015, which are also applicable to said Committee, as well as to include the novelties introduced in the Spanish Companies Law by Law 11/2018 amending the Commercial Code, the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on Account Auditing, regarding non-financial information and diversity in relation to the diversity in the composition of the Board and the non-delegable powers of this body.

The amendment of each article of the Board of Directors' Regulations and the Audit and Control Committee's Regulations are explained in detail in the supporting report approved by the Board of Directors pursuant to articles 518.d) and 528 of the Spanish Companies Law.



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ITEM ELEVEN ON THE AGENDA

Acknowledgement of the approval of the Appointments and Remunerations Committee's Regulations

RESOLUTION

To acknowledge the approval of the Appointments and Remunerations Committee's Regulations approved by the Board at its meeting held on 12 December 2019. This approval is aimed to introduce the provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission on Appointments and Remunerations Committees with respect to the composition and functioning of the Appointments and Remunerations Committee and in accordance with the recommendations of the Listed Companies' Good Governance Code published in 2015, which are also applicable to said Committee.

The approval of the Appointments and Remunerations Committee's Regulations is explained in detail in the supporting report approved by the Board of Directors pursuant to article 518.d) of the Spanish Companies Law.



REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. JOSÉ LUIS DEL VALLE DOBLADO AS INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX SECTION ONE OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 16 AND 17, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

This report is issued by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the “**Company**”) in accordance with the provisions of paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the “**Spanish Companies Law**”), and has the purpose of justifying the proposal of re-election of Mr. José Luis del Valle Doblado as independent director of the Company.

In accordance with the provisions of paragraph 4 of said article, the Appointments and Remunerations Committee shall propose the appointment or re-election of independent directors. This proposal shall be accompanied by a supporting report issued by the Board of Directors in which the competence, experience and merits of the person whose appointment or re-election is proposed to the Shareholders' Meeting are assessed.

Likewise, article 21 of the Company's Board of Directors Regulations sets out that, before proposing the re-election of directors to the General Shareholders' Meeting, the Board of Directors shall assess, with the abstention of the affected persons, the quality of the work and the involvement of the proposed directors during their previous office.

In light of the foregoing and of the upcoming expiry of Mr. del Valle's office, this report aims to assess his competence, experience and merits, in view of the Appointments and Remunerations Committee's proposal to re-elect Mr. del Valle as director of the Company. Such proposal is attached as **Annex** to this report.

2. CANDIDATE'S ASSESSMENT

Below is the Board's assessment of the competence, experience and merits of Mr. José Luis del Valle Doblado and his suitability to perform his duties as independent director of the Company, in view of the motivated proposal issued by the Appointments and Remunerations Committee of the Company at its meeting held on 13 February 2020.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on Mr. del Valle's identity, CV and director category. In addition, this report



includes a valuation of the quality of his job and his involvement during his previous office and of eligibility requirements needed to perform the duties corresponding to the Company's directors.

a. Biographical and professional profile

Mr. del Valle has extensive experience in the banking and energy sectors.

From 1988 to 2002 he held various positions with Banco Santander, one of the most relevant financial entities in Spain. In 1999 he was appointed General Manager and Financial Manager of the bank (1999-2002). Subsequently he was Development and Strategy Manager of Iberdrola, one of the main Spanish energy companies (2002-2008), Managing Director of Scottish Power (2007-2008), Strategy and Research Manager of Iberdrola (2008-2010) and Advisor to the Chairman of the aerogenerator manufacturer Gamesa (2011-2012). Currently, Mr. del Valle is Chairman of the Board of Directors of Wizink Bank; Director of Abengoa, S.A., which provides innovative technological solutions for sustainable development; Director of the insurance group Ocaso; and Director of the Instituto de Consejeros-Administradores.

Mr. José Luis is a Mining Engineer from Universidad Politécnica (Madrid, Spain), number one of his class, Master of Science and Nuclear Engineer from the Massachusetts Institute of Technology (Cambridge, USA). Furthermore, Mr. del Valle holds an MBA with high honours from Harvard Business School (Boston, USA).

b. Membership of other Boards of Directors

Mr. del Valle is member of the Board of Directors of the listed company Abengoa, S.A. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations, pursuant to which the Company's directors may belong to maximum four Boards of Directors of other listed companies.

c. Quality of his work and involvement

Mr. José Luis del Valle was appointed director of Lar España, under the category of independent director, in 2014 and he was subsequently re-elected as such in 2017. Moreover, he currently chairs the Board of Directors and is member of the Company's Audit and Control Committee.

The Board of Directors has analysed the duties performed by Mr. del Valle and his dedication during the previous office and it considers that he has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Board of Directors appreciates that Mr. del Valle has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all

the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. José Luis del Valle is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as finance, audits, risks, ESG, international markets, participation in other board of directors, investments and shareholders knowledge or technical knowledge as an engineer; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

Likewise, the Board of Directors appreciates the extensive professional track-record of Mr. del Valle and his accredited experience in management and business strategy, as well as his knowledge of the business of Lar España. The Board considers that Mr. del Valle has the knowledge and experience required for the appropriate performance of his duties as director of the Company.

On a separate note, the Board of Directors considers that Mr. del Valle has devoted the necessary time to properly serve in his office and that he has enough time availability for the correct performance of his duties.

d. Category of director

Mr. José Luis del Valle will not represent any shareholder on the Board of Directors and will not perform executive duties. Furthermore, the Board has verified that the candidate fulfils the requirements to be considered as independent director according to the provisions of applicable law.

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments and Remunerations Committee's proposal and issues a favourable report on the re-election of Mr. José Luis del Valle as director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that Mr. del Valle will give continuity to the management of the Company and its group carried out to date.

The full text of the proposed resolution that is submitted to the Ordinary General Shareholders' Meeting is the following:



"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. José Luis del Valle Doblado as member of the Board, under the category of "independent director", for the statutory period of three years."

Madrid, 13 February 2020.

ANNEX

APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL TO THE BOARD OF DIRECTORS IN RELATION TO THE RE-ELECTION OF MR. JOSÉ LUIS DEL VALLE DOBLADO AS INDEPENDENT DIRECTOR OF THE COMPANY

1. INTRODUCTION

In accordance with the provisions of paragraph 4 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**") and article 15.4 of the Regulations of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**"), the Company's Appointments and Remunerations Committee issues this proposal of re-election of Mr. José Luis del Valle Doblado as independent director of the Company for the statutory term of three years to be submitted to the following Ordinary General Shareholders' Meeting of the Company.

2. PROPOSAL'S JUSTIFICATION

In view of the upcoming expiry of Mr. del Valle's office, the Appointments and Remunerations Committee has analysed the current composition of the Board of Directors and has reviewed the competence, experience and merits of its current members with the purpose of identifying the Board's needs and specifying the functions and aptitudes that candidates must fulfil to properly perform their duties.

Likewise, the Appointments and Remunerations Committee has evaluated the professional and biographical profile of Mr. del Valle and has assessed his performance as member and Chairman of the Company's Board of Directors and as member of the Audit and Control Committee.

Mr. del Valle has extensive experience in the banking and energy sectors. From 1988 to 2002 he held various positions with Banco Santander, one of the most relevant financial entities in Spain. In 1999 he was appointed General Manager and Financial Manager of the bank (1999-2002). Subsequently he was Development and Strategy Manager of Iberdrola, one of the main Spanish energy companies (2002-2008), Managing Director of Scottish Power (2007-2008), Strategy and Research Manager of Iberdrola (2008-2010) and Advisor to the Chairman of the aerogenerator manufacturer Gamesa (2011-2012). Currently, Mr. del Valle is Chairman of the Board of Directors of Wizink Bank; Director of Abengoa, S.A., which provides innovative technological solutions for sustainable development; Director of the insurance group Ocaso; and Director of the Instituto de Consejeros-Administradores. Mr. José Luis is a Mining Engineer from Universidad Politécnica (Madrid, Spain), number one of his class, Master of Science and Nuclear



Engineer from the Massachusetts Institute of Technology (Cambridge, USA). Furthermore, Mr. del Valle holds an MBA with high honours from Harvard Business School (Boston, USA).

As for the quality of his work, the Appointments and Remunerations Committee considers that Mr. del Valle has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Committee appreciates that Mr. del Valle has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. José Luis del Valle is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as finance, audits, risks, ESG, international markets, participation in other board of directors, investments and shareholders knowledge or technical knowledge as an engineer; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

On a separate note, the Appointments and Remunerations Committee has analysed the other offices in which Mr. del Valle serves. Mr. del Valle is member of the Board of Directors of the listed company Abengoa, S.A. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations. The Committee has also evaluated the director's independence and considers that Mr. del Valle is not involved in any situation that prevent him from performing his duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

In light of the foregoing, the Appointments and Remunerations Committee believes that



Mr. del Valle has the appropriate competence, experience and merits to exercise his duties as director of the Company pursuant to applicable law. As a consequence, the Committee submits to the Board of Directors the proposal to re-elect Mr. José Luis del Valle as director of the Company, under the category of independent director, for the statutory term of three years.

The full text of the proposed resolution is the following:

"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. José Luis del Valle Doblado as member of the Board, under the category of "independent director", for the statutory period of three years."



REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. ALEC EMMOTT AS INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX SECTION TWO OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 16 AND 17, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

This report is issued by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**") in accordance with the provisions of paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**"), and has the purpose of justifying the proposal of re-election of Mr. Alec Emmott as independent director of the Company.

In accordance with the provisions of paragraph 4 of said article, the Appointments and Remunerations Committee shall propose the appointment or re-election of independent directors. This proposal shall be accompanied by a supporting report issued by the Board of Directors in which the competence, experience and merits of the person whose appointment or re-election is proposed to the Shareholders' Meeting are assessed.

Likewise, article 21 of the Company's Board of Directors Regulations sets out that, before proposing the re-election of directors to the General Shareholders' Meeting, the Board of Directors shall assess, with the abstention of the affected persons, the quality of the work and the involvement of the proposed directors during their previous office.

In light of the foregoing and of the upcoming expiry of Mr. Emmott 's office, this report aims to assess his competence, experience and merits, in view of the Appointments and Remunerations Committee's proposal to re-elect Mr. Emmott as director of the Company. Such proposal is attached as **Annex** to this report.

2. CANDIDATE'S ASSESSMENT

Below if the Board's assessment of the competence, experience and merits of Mr. Alec Emmott and his suitability to perform his duties as independent director of the Company, in view of the motivated proposal issued by the Appointments and Remunerations Committee of the Company at its meeting held on 13 February 2020.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on Mr. Emmott 's identity, CV and director category. In addition, this report includes a valuation of the quality of his job and his involvement during his previous office and of eligibility requirements needed to perform the duties corresponding to the Company's directors.



a. Biographical and professional profile

Mr. Emmott has a wide career in the listed and unlisted real estate sector in Europe, and is based in Paris.

He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012.

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

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

b. Membership of other Boards of Directors

Mr. Emmott is member of the Board of Directors of the listed company CeGeREAL, S.A. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations, pursuant to which the Company's directors may belong to maximum four Boards of Directors of other listed companies.

c. Quality of his work and involvement

Mr. Alec Emmott was appointed director of Lar España, under the category of independent director, in 2014 and he was subsequently re-elected as such in 2017. Moreover, he currently is member of the Company's Appointments and Remunerations Committee.

The Board of Directors has analysed the duties performed by Mr. Emmott and his dedication during the previous office and it considers that he has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Board of Directors appreciates that Mr. Emmott has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Alec Emmott is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, participation in other board of directors and investments and shareholders knowledge; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

Likewise, the Board of Directors appreciates the extensive professional track-record of Mr. Emmott and his accredited experience and knowledge of the listed and non-listed real estate industry in Europe. The Board considers that Mr. Emmott has the knowledge and experience required for the appropriate performance of his duties as director of the Company.

On a separate note, the Board of Directors considers that Mr. Emmott has devoted the necessary time to properly serve in his office and that he has enough time availability for the correct performance of his duties.

d. Category of director

Mr. Alec Emmott will not represent any shareholder on the Board of Directors and will not perform executive duties. Furthermore, the Board has verified that the candidate fulfils the requirements to be considered as independent director according to the provisions of applicable law.

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments and Remunerations Committee's proposal and issues a favourable report on the re-election of Mr. Alec Emmott as director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that Mr. Emmott will give continuity to the management of the Company and its group carried out to date.

The full text of the proposed resolution that is submitted to the Ordinary General Shareholders' Meeting is the following:



"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Alec Emmott as member of the Board, under the category of "independent director", for the statutory period of three years."

Madrid, 13 February 2020.

ANNEX

APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL TO THE BOARD OF DIRECTORS IN RELATION TO THE RE-ELECTION OF MR. ALEC EMMOTT AS INDEPENDENT DIRECTOR OF THE COMPANY

1. INTRODUCTION

In accordance with the provisions of paragraph 4 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**") and article 15.4 of the Regulations of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**"), the Company's Appointments and Remunerations Committee issues this proposal of re-election of Mr. Alec Emmott as independent director of the Company for the statutory term of three years to be submitted to the following Ordinary General Shareholders' Meeting of the Company.

2. PROPOSAL'S JUSTIFICATION

In view of the upcoming expiry of Mr. Emmott's office, the Appointments and Remunerations Committee has analysed the current composition of the Board of Directors and has reviewed the competence, experience and merits of its current members with the purpose of identifying the Board's needs and specifying the functions and aptitudes that candidates must fulfil to properly perform their duties.

Likewise, the Appointments and Remunerations Committee has evaluated the professional and biographical profile of Mr. Emmott and has assessed his performance as member of the Board of Directors and the Appointments and Remunerations Committee.

Mr. Emmott has a wide career in the listed and unlisted real estate sector in Europe, and is based in Paris. He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012. He is currently Director of Europroperty Consulting, and has been a Director of CeGeREAL S.A. (where he represents Europroperty Consulting) since 2011. He is also a member of the advisory committee of Weinberg Real Estate Partners (WREP I/II). Mr. Emmott has been a member of the Royal Institution of Chartered Surveyors (MRICS) since 1971. He holds an MA from Trinity College (Cambridge, UK).

As for the quality of his work, the Appointments and Remunerations Committee considers that Mr. Emmott has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Committee appreciates that Mr. Emmott has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Alec Emmott is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, participation in other board of directors and investments and shareholders knowledge; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

On a separate note, the Appointments and Remunerations Committee has analysed the other offices in which Mr. Emmott serves. Mr. Emmott is member of the Board of Directors of the listed company CeGeREAL, S.A. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations. The Committee has also evaluated the director's independence and considers that Mr. Emmott is not involved in any situation that prevent him from performing his duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

In light of the foregoing, the Appointments and Remunerations Committee believes that Mr. Emmott has the appropriate competence, experience and merits to exercise his duties as director of the Company pursuant to applicable law. As a consequence, the Committee submits to the Board of Directors the proposal to re-elect Mr. Alec Emmott as director of the Company, under the category of independent director, for the statutory term of three years.

The full text of the proposed resolution is the following:

"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Alec Emmott as member of the Board, under the category of "independent director", for the statutory period of three years."



REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. ROGER MAXWELL COOKE MBE AS INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX SECTION THREE OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 16 AND 17, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

This report is issued by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the “**Company**”) in accordance with the provisions of paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the “**Spanish Companies Law**”), and has the purpose of justifying the proposal of re-election of Mr. Roger Maxwell Cooke MBE as independent director of the Company.

In accordance with the provisions of paragraph 4 of said article, the Appointments and Remunerations Committee shall propose the appointment or re-election of independent directors. This proposal shall be accompanied by a supporting report issued by the Board of Directors in which the competence, experience and merits of the person whose appointment or re-election is proposed to the Shareholders' Meeting are assessed.

Likewise, article 21 of the Company's Board of Directors Regulations sets out that, before proposing the re-election of directors to the General Shareholders' Meeting, the Board of Directors shall assess, with the abstention of the affected persons, the quality of the work and the involvement of the proposed directors during their previous office.

In light of the foregoing and of the upcoming expiry of Mr. Cooke's office, this report aims to assess his competence, experience and merits, in view of the Appointments and Remunerations Committee's proposal to re-elect Mr. Cooke as director of the Company. Such proposal is attached as **Annex** to this report.

2. CANDIDATE'S ASSESSMENT

Below is the Board's assessment of the competence, experience and merits of Mr. Roger Maxwell Cooke MBE and his suitability to perform his duties as independent director of the Company, in view of the motivated proposal issued by the Appointments and Remunerations Committee of the Company at its meeting held on 13 February 2020.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on Mr. Cooke's identity, CV and director category. In addition, this report



includes a valuation of the quality of his job and his involvement during his previous office and of eligibility requirements needed to perform the duties corresponding to the Company's directors.

a. Biographical and professional profile

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

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

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is currently a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since September 2017, Mr. Roger Maxwell is Chairman of the Editorial Board of Iberian Property and since January 2020 is the Chairman of RICS Spain.

b. Membership of other Boards of Directors

Mr. Cooke is not member of the Board of Directors of any listed company other than Lar España. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations, pursuant to which the Company's directors may belong to maximum four Boards of Directors of other listed companies.

c. Quality of his work and involvement

Mr. Cooke was appointed director of Lar España, under the category of independent director, in 2014 and he was subsequently re-elected as such in 2017. Moreover, he currently is member and Chairman of the Company's Appointments and Remunerations Committee.

The Board of Directors has analysed the duties performed by Mr. Cooke and his dedication during the previous office and it considers that he has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Board of Directors appreciates that Mr. Cooke has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Roger Cooke is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

Likewise, the Board of Directors appreciates the extensive professional track-record of Mr. Cooke in the real estate industry and considers that Mr. Cooke has the knowledge and experience required for the appropriate performance of his duties as director of the Company.

On a separate note, the Board of Directors considers that Mr. Cooke has devoted the necessary time to properly serve in his office and that he has enough time availability for the correct performance of his duties.

d. Category of director

Mr. Roger M. Cooke MBE will not represent any shareholder on the Board of Directors and will not perform executive duties. Furthermore, the Board has verified that the candidate fulfils the requirements to be considered as independent director according to the provisions of applicable law.

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments and Remunerations Committee's proposal and issues a favourable report on the re-election of Mr. Roger Maxwell Cooke MBE as director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that Mr. Cooke will give continuity to the management of the Company and its group carried out to date.

The full text of the proposed resolution that is submitted to the Ordinary General Shareholders' Meeting is the following:

"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Roger Maxwell Cooke MBE as member of the Board, under the category of "independent director", for the statutory period of three years."



Madrid, 13 February 2020.

ANNEX

APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL TO THE BOARD OF DIRECTORS IN RELATION TO THE RE-ELECTION OF MR. ROGER MAXWELL COOKE MBE AS INDEPENDENT DIRECTOR OF THE COMPANY

1. INTRODUCTION

In accordance with the provisions of paragraph 4 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**") and article 15.4 of the Regulations of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**"), the Company's Appointments and Remunerations Committee issues this proposal of re-election of Mr. Roger Maxwell Cooke MBE as independent director of the Company for the statutory term of three years to be submitted to the following Ordinary General Shareholders' Meeting of the Company.

2. PROPOSAL'S JUSTIFICATION

In view of the upcoming expiry of Mr. Cooke's office, the Appointments and Remunerations Committee has analysed the current composition of the Board of Directors and has reviewed the competence, experience and merits of its current members with the purpose of identifying the Board's needs and specifying the functions and aptitudes that candidates must fulfil to properly perform their duties.

Likewise, the Appointments and Remunerations Committee has evaluated the professional and biographical profile of Mr. Cooke and has assessed his performance as member of the Board of Directors of the Company and member and Chairman of the Appointments and Remunerations Committee.

Mr. Cooke is an experienced professional with more than 30 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, leading the company to attain a leading position in the sector. In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment. Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is currently a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since September 2017, Mr. Roger Maxwell is Chairman of the Editorial Board of Iberian Property and since January 2020 is the Chairman of RICS Spain.



As for the quality of his work, the Appointments and Remunerations Committee considers that Mr. Cooke has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Committee appreciates that Mr. Cooke has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Roger Cooke is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

On a separate note, the Appointments and Remunerations Committee has analysed the other offices in which Mr. Cooke serves. Mr. Cooke is not member of the Board of Directors of any listed company other than Lar España. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations. The Committee has also evaluated the director's independence and considers that Mr. Cooke is not involved in any situation that prevent him from performing his duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

In light of the foregoing, the Appointments and Remunerations Committee believes that Mr. Cooke has the appropriate competence, experience and merits to exercise his duties as director of the Company pursuant to applicable law. As a consequence, the Committee submits to the Board of Directors the proposal to re-elect Mr. Roger Maxwell Cooke MBE as director of the Company, under the category of independent director, for the statutory term of three years.



The full text of the proposed resolution is the following:

"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Roger Maxwell Cooke MBE as member of the Board, under the category of "independent director", for the statutory period of three years."



REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. MIGUEL PEREDA ESPESO AS PROPRIETARY DIRECTOR OF THE COMPANY UNDER ITEM SIX SECTION FOUR OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 16 AND 17, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

This report is issued by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**") in accordance with the provisions of paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**"), and has the purpose of justifying the proposal of re-election of Mr. Miguel Pereda Espeso as proprietary director of the Company.

In accordance with the provisions of paragraph 4 of said article, the Board of Directors shall propose the appointment or re-election of its members who do not qualify as independent directors. This proposal shall be preceded by a report of the Appointments and Remunerations Committee and accompanied by a supporting report issued by the Board of Directors in which the competence, experience and merits of the person whose appointment or re-election is proposed to the Shareholders' Meeting are assessed.

Likewise, article 21 of the Company's Board of Directors Regulations sets out that, before proposing the re-election of directors to the General Shareholders' Meeting, the Board of Directors shall assess, with the abstention of the affected persons, the quality of the work and the involvement of the proposed directors during their previous office.

In light of the foregoing and of the upcoming expiry of Mr. Pereda's office, this report aims to assess his competence, experience and merits, in view of the Board's proposal to re-elect Mr. Pereda as director of the Company, which follows the previous report of the Appointments and Remunerations Committee. Such Committee's report is attached as **Annex** to this report.

2. PROPOSAL'S JUSTIFICATION

Below is the Board's assessment of the competence, experience and merits of Mr. Miguel Pereda Espeso and his suitability to perform his duties as proprietary director of the Company, in view of the report issued by the Appointments and Remunerations Committee of the Company at its meeting held on 13 February 2020.



For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on Mr. Pereda's identity, CV and director category. In addition, this report includes a valuation of the quality of his job and his involvement during his previous office and of eligibility requirements needed to perform the duties corresponding to the Company's directors.

a. Biographical and professional profile

Mr. Pereda has more than 25 years of experience in the real estate sector. He serves as director of Grupo Lar Inversiones Inmobiliarias, S.A., and before this, he was Chief Executive Officer of Lar Grosvenor for 6 years.

In 2015, he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London. He is currently the chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and he is also chairman of the Altamira Lar foundation.

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

b. Membership of other Boards of Directors

Mr. Pereda is not member of the Board of Directors of any listed company other than Lar España. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations, pursuant to which the Company's directors may belong to maximum four Boards of Directors of other listed companies.

Moreover, Mr. Pereda is member of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and other companies of its group. He was expressly authorised to perform these duties and to obtain the relevant remuneration therefor in 2014 by the then sole shareholder of the Company. This authorisation was subsequently renewed at the General Shareholders' Meeting held on 21 April 2016, upon re-election of Mr. Pereda as director of the Company.

c. Quality of his work and involvement

Mr. Pereda was appointed director of Lar España, under the category of proprietary director, in 2014 and he was subsequently re-elected as such in 2017. Moreover, he currently is member of the Company's Appointments and Remunerations Committee.

The Board of Directors has analysed the duties performed by Mr. Pereda and his dedication during the previous office and it considers that he has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Board of Directors appreciates that Mr. Pereda has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.



This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Miguel Pereda is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, finance, international markets, investment and shareholders knowledge, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

Likewise, the Board of Directors appreciates the extensive professional track-record of Mr. Pereda and his accredited experience and knowledge of the real estate industry and the business of Lar España. The Board considers that Mr. Pereda has the knowledge and experience required for the appropriate performance of his duties as director of the Company.

On a separate note, the Board of Directors considers that Mr. Pereda has devoted the necessary time to properly serve in his office and that he has enough time availability for the correct performance of his duties.

d. Category of director

Mr. Miguel Pereda Espeso will represent the shareholder Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) on the Board of Directors, so he will be considered as proprietary director according to the provisions of applicable law.

3. PROPOSED RESOLUTION

In light of the foregoing, the Board of Directors issues a favourable report and proposes the re-election of Mr. Miguel Pereda Espeso as director of the Company, under the category of proprietary director, for the statutory term of three years. The Board is convinced that Mr. Pereda will give continuity to the management of the Company and its group carried out to date.

The full text of the proposed resolution that is submitted to the Ordinary General



Shareholders' Meeting is the following:

"Based on the proposal of the Board of Directors and following the favourable report of the Appointments and Remunerations Committee, to re-elect Mr. Miguel Pereda Espeso as member of the Board, under the category of "proprietary director", for the statutory period of three years."

Madrid, 13 February 2020.

ANNEX

APPOINTMENTS AND REMUNERATIONS COMMITTEE REPORT IN RELATION TO THE RE-ELECTION OF MR. MIGUEL PEREDA ESPESO AS PROPRIETARY DIRECTOR OF THE COMPANY

1. INTRODUCTION

In accordance with the provisions of paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**") and article 15.4 of the Regulations of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**"), the Company's Appointments and Remunerations Committee issues this report regarding the proposal of re-election of Mr. Miguel Pereda Espeso as proprietary director of the Company for the statutory term of three years that will be submitted to the following Ordinary General Shareholders' Meeting of the Company.

2. ASSESSMENT OF THE PROPOSAL

In view of the upcoming expiry of Mr. Pereda's office, the Appointments and Remunerations Committee has analysed the current composition of the Board of Directors and has reviewed the competence, experience and merits of its current members with the purpose of identifying the Board's needs and specifying the functions and aptitudes that candidates must fulfil to properly perform their duties.

Likewise, the Appointments and Remunerations Committee has evaluated the professional and biographical profile of Mr. Pereda and has assessed his performance as member of the Board of Directors and member and the Appointments and Remunerations Committee of the Company.

Mr. Pereda has more than 25 years of experience in the real estate sector. He serves as director of Grupo Lar Inversiones Inmobiliarias, S.A., and before this, he was Chief Executive Officer of Lar Grosvenor for 6 years. In 2015, he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London. He is currently the chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and he is also chairman of the Altamira Lar foundation. Mr. Pereda has a degree in business administration from the Universidad Complutense (Madrid, Spain), and an MBA from the Instituto de Empresa (IE). He participated in the Breakthrough programme for Senior Executives at the IMD, has a masters in tax from ICADE and participated in the Real Estate Management Programme at Harvard University.

As for the quality of his work, the Appointments and Remunerations Committee considers that Mr. Pereda has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom



of opinion and independence from third parties' instructions and links. In particular, the Committee appreciates that Mr. Pereda has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Miguel Pereda is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, finance, international markets, investment and shareholders knowledge, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

On a separate note, the Appointments and Remunerations Committee has analysed the other offices in which Mr. Pereda serves. Mr. Pereda is member of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and other companies of its group. He was expressly authorised to perform these duties and to obtain the relevant remuneration therefor in 2014 by the then sole shareholder of the Company. This authorisation was subsequently renewed at the General Shareholders' Meeting held on 21 April 2016. The Committee considers that Mr. Pereda is not involved in any situation that may prevent him from performing his duties as director of the Company under the category of proprietary director.

3. FAVOURABLE REPORT

In light of the foregoing, the Appointments and Remunerations Committee believes that Mr. Miguel Pereda Espeso has the appropriate competence, experience and merits to exercise his duties as director of the Company pursuant to applicable law. As a consequence, the Committee issues a favourable report on the proposal to re-elect Mr. Pereda as director of the Company, under the category of proprietary director, for the statutory term of three years.



The full text of the proposed resolution is the following:

"Based on the proposal of the Board of Directors and following the favourable report of the Appointments and Remunerations Committee, to re-elect Mr. Miguel Pereda Espeso as member of the Board, under the category of "proprietary director", for the statutory period of three years."



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

REPORT BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE AMENDMENT OF THE AUDIT AND CONTROL COMMITTEE'S REGULATIONS INCLUDED IN ITEM TEN OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING TO BE HELD ON MARCH 16 AND 17, 2020, IN FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

The Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**" or "**Lar España**") issues this report with the purpose of informing the General Shareholders' Meeting about the amendments carried out in connection with the Audit and Control Committee's Regulations of Lar España (the "**Regulations**") approved by the Board of Directors of the Company on 12 December 2019.

To simplify the comprehension of the amendments, a description of the purpose and justification of the amendments is hereby provided to the shareholders of the Company.

Finally, and with the purpose of simplifying the comparison between the new text of the amended articles, a document highlighting the changes with respect to the previous version is attached to this report.

2. GENERAL JUSTIFICATION OF THE PROPOSAL

The amendments to the Audit and Control Committee's Regulations are carried out within the continuous review and updating process carried out by the Company in connection with its internal corporate governance rules. Particularly, articles 6 and 7 of the Regulations have been modified in order to (i) adjust the deadline for convening meetings (article 6.3) to the provisions of the Board Regulations; and (ii) expressly incorporate the fact that at the meetings of the Audit and Control Committee the guests will not attend the deliberation and voting phases of the Audit and Control Committee, a provision included in Section Two of Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on Appointments and Remunerations Committees and which such Guide expressly extends to the audit committees.

3. STRUCTURE OF THE AMENDMENT

A document highlighting the changes to articles 6 and 7 of the Audit and Control Committee's Regulations with respect to the previous version of the Regulations is attached to this report as **Annex**.

Madrid, 13 February 2020



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

ANNEX
CHANGES TO ARTICLES 6 AND 7 OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. AUDIT AND CONTROL COMMITTEE'S REGULATIONS, APPROVED IN THEIR MEETING OF 12 DECEMBER 2019 WITH HIGHLIGHTED CHANGES WITH RESPECT TO THE PREVIOUS VERSION

The rest of the articles from the Audit and Control Committee's Regulations remain unaltered with respect to the previous version in force.

Article 6. Call of the meetings

1. The Audit and Control Committee shall meet regularly, on a quarterly basis, to review the periodic financial information that must be submitted to the supervisory authorities, as well as the information that the Board of Directors has to approve and include as part of its annual public documents. In relation to these matters, the internal auditor must attend the Committee's meetings and, if any type of review report is issued, the external auditor must also attend, however, they will not be present in the decision-making part of the meeting when the Audit and Control Committee must adopt the relevant decisions.
2. Additionally, the Committee shall also meet at the request of any of its members and when called by its Chairman, which must call a meeting whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever deemed appropriate for the successful performance of its functions.
3. Audit and Control Committee meetings shall be called by the Secretary of the Committee or, where applicable, the Deputy Secretary, by order of the Chairman, at least ~~ten~~three days prior to the meeting, except in cases of emergency that justify calling a meeting immediately or within less time. The call notice will be sent by letter, fax, e-mail or by any other means that provide evidence of receipt.

The call notice shall always include the agenda of the meeting and will be accompanied by the necessary information, without prejudice to the fact that in certain circumstances all or part of the information may be provided at the meeting itself.

Article 7. Meetings

1. Audit and Control Committee meetings shall be held, in accordance with its annual work plan, at the Company's registered office or at any location previously designated by the Chairman and indicated in the call notice.
2. Committee meetings may be held through multiconference calls, videoconference or any other similar systems such that one or several members may attend the meeting through the indicated system. For such purpose, the call notice of the meeting, in addition to indicating the location where the actual meeting will take place, must mention that members may also attend the meeting through conference calls, videoconference or an equivalent system, whereby the technical means necessary for such purpose must be indicated and available, which in any case must enable direct and simultaneous communication between all attendees. The Secretary of the Audit and Control Committee must place on record in the minutes of the meetings held, in addition to those members attending the meeting in person or, where applicable, represented by another Committee member, those that attend the meeting through the multiconference call, videoconference or similar system.
3. Constructive discussions among its members shall be encouraged at the Committee meetings, promoting free expression and the supervisory and analysis mindset of its members, whereby the Chairman of the Committee must ensure that its members freely participate in discussions.

4. The Audit and Control Committee shall draft an annual report on its performance during the year, which will serve as the basis for the evaluation to be carried out by the Board of Directors, highlighting the main incidents, if any, that have arisen in relation to its functions. The report shall include, among other issues, the significant activities carried out during the period, and report on those that were carried out in collaboration with external experts and, when deemed appropriate by the Committee, this report will include proposals to improve the Company's governance rules. The report shall be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.
5. The Audit and Control Committee may call any of the members of the management team or the Company's personnel, even ordering their appearance without the presence of another senior officer. Those called shall be obliged to attend the meetings of the Audit and Control Committee and provide their collaboration and access to the information they have available. The Committee may also require attendance at its meetings by other persons (executive directors, experts, auditors, etc.), although only by invitation of the Chairman of the Committee and only to discuss those specific items on the agenda for which they are summoned. In particular, senior officers or other executive or non-executive directors shall only occasionally attend Committee meetings, also ensuring that invited parties not to attend the committee's deliberation and voting stages.



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

REPORT BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE AMENDMENT OF THE BOARD OF DIRECTORS' RULES AND REGULATIONS INCLUDED IN ITEM TEN OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING TO BE HELD ON MARCH 16 AND 17, 2020 IN FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

The Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**" or "**Lar España**") issues this report with the purpose of informing the General Shareholders' Meeting about the amendments carried out in connection with the Board of Directors' Rules and Regulations of Lar España (the "**Regulations**") approved by the Board of Directors of the Company on 12 December 2019.

To simplify the comprehension of the amendments, a description of the purpose and justification of the amendments is hereby provided to the shareholders of the Company.

Finally, and with the purpose of simplifying the comparison between the new text of the amended articles, a document highlighting the changes with respect to the previous version is attached to this report.

2. GENERAL JUSTIFICATION OF THE PROPOSAL

The amendments to the Board of Directors' Rules and Regulations are carried out within the continuous review and updating process carried out by the Company in connection with its internal corporate governance rules. In general terms, these amendments are, firstly, aimed to introduce the provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on Appointments and Remunerations Committees with respect to the composition and functioning of the Appointments and Remunerations Committee and in accordance with the recommendations of the Listed Companies' Good Governance Code published in 2015, which are also applicable and, secondly, to include the novelties introduced in the Spanish Companies Law by Law 11/2018 in relation to the diversity in the composition of the Board and the non-delegable powers of this body.

Likewise, certain technical modifications are introduced, replacing the reference to a regulation repealed by the current Law 3/2015, of 30 March, regulating the exercise of the high office of the General State Administration, and eliminating from Article 28 ("*General Obligations of the Director*") the reference to the directors who must provide their strategic vision being "*to a greater extent independent*", since all directors must provide such strategic vision from their unique capacity, whatever their category.

3. STRUCTURE OF THE AMENDMENT

A document highlighting the changes to articles 5 ("*Competences of the Board of Directors*"), 8 ("*Qualitative Composition*"), 15 ("*Appointments and Remuneration Committee. Composition, competences and operation*"), 19 ("*Appointment of Directors*") and 28 ("*General Directors' Obligations*") of the Board of Directors' Rules and Regulations with respect to the previous version of the Regulations is attached to this report as **Annex**.

Madrid, 13 February 2020



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

ANNEX
CHANGES TO ARTICLES 5, 8, 15, 19 AND 28 OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A.
BOARD OF DIRECTORS' RULES AND REGULATIONS, APPROVED IN THEIR MEETING OF 12
DECEMBER 2019 WITH HIGHLIGHTED CHANGES WITH RESPECT TO THE PREVIOUS
VERSION

The rest of the articles from the Board of Director's Rules and Regulations remain unaltered with respect to the previous version in force.

Article 5. Competences of the Board of Directors

1. The Board of Directors is competent to adopt and pass resolutions on all sorts of matters that are not attributed to the General Shareholders' Meeting by the Articles of Association of the Company or the Law.
2. The Board of Directors, which has the broadest powers and faculties to manage, lead, run and represent the Company, as a general rule, will delegate ordinary management of the Company in the delegate management bodies and in the management team, and will focus its activity on the general supervisory function and in the consideration of those matters of particular significance for the Company.
3. Those powers that are reserved by law or by the Articles of Association to the direct decision of the Board of Directors or those required for responsible exercise of the general supervisory function by the Board of Directors may not be delegated.
4. Notwithstanding, if applicable, the legal power of delegation and empowerment for execution of the specific decisions adopted, the Board of Directors will directly exercise, at its own initiative or at the proposal of the relevant internal body, the following competences and powers:
 - a. The filing of the annual statements, the management report, and the proposal for distribution of the Company's earnings, as well as the consolidated statements and management report for submission to the General Shareholders' Meeting.
 - b. The call to the General Shareholders' Meeting, as well as the publication of notices pertaining to it.
 - c. The ~~authorisation~~authorization or waiver of the obligations derived from the duty of loyalty, pursuant to the provisions in the applicable legislation.
 - d. The enforcement of the Company's treasury stock as ~~authorised~~authorized by the General Shareholders' Meeting.
 - e. The formulation of the dividends policy and the submission of the relevant proposals to the General Shareholders' Meeting on the distribution of earnings, as well as deciding on the payment of interim dividends.
 - f. The appointment of directors by means of co-option and the submission of proposals to the General Shareholders' Meeting on the appointment, ratification or re-election of directors who are not independent, following a report from the Appointments and Remuneration Committee, or the removal of directors.
 - g. The approval of each director's remuneration, following a proposal from the Appointments and Remuneration Committee, in accordance with the remunerations proposal approved by the General Shareholders' Meeting.

- h. The appointment and removal of CEOs, as well as the prior approval of the contracts to be entered by the Company and the directors, to whom executive functions are attributed, including those compensation items for which they could receive remuneration for the performance of those functions.
- i. The appointment and renewal of the internal positions in the Board of Directors and the members and internal positions in their committees.
- j. At the proposal of the Company's first executive director, the appointment and potential removal of senior managers, as well as the approval of their severance packages.
- k. The approval of the remuneration policy as well as the basic terms of the contracts of the Company's senior managers, on the basis of the proposal made by the CEO, or, should there be no CEO, the Executive Committee, which will be submitted to the Board of Directors by the Appointments and Remuneration Committee.
- l. The supervision of the process of preparation and presentation of the financial information and of the management report, including, where appropriate, the required non-financial information, and the approval of any financial information that the Company, as a listed company, must make public on a regular basis.
- m. The approval of any investments, divestments or transactions of any kind in which, due to their high amount or special characteristics, have a strategic nature, unless their approval correspond to the General Shareholders' Meeting.
- n. The creation or acquisition of shares in special-purpose vehicles or entities established in countries or territories that are regarded as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could damage the group's transparency.
- o. The approval, following a report by the Audit and Control Committee, of the related-party transactions as they are defined by applicable legislation at any time.
- p. The ruling on any takeover bid made on stock issued by the Company.
- q. The approval and amendment of these Regulations, following a report from the Audit and Control Committee.
- r. Preparing the Company's Annual Governance Report and the sustainability report or annual report, as well as the annual report on the directors' remuneration policy.
- s. The annual evaluation of the quality and efficiency of the Board of Director's functioning, the performance of their duties by the Chairman of the Board and the Company's first executive director, as well as the quality and efficiency of functioning of the committees, on the basis of the report issued by such committees.
- t. Any other matter on which decision-making is reserved by the Regulations of the Board of Directors to the Board in a plenary meeting.

5. The Board of Directors, as the core of its mission, approves the Company strategy and the ~~organisation~~organization required for its implementation. Furthermore, the Board oversees and ensures that the senior management achieves the goals set and complies with the Company's goals and corporate interest. To this end, the plenary meeting of the Board of Directors reserves the competence to approve the Company's general policies and strategies, and in particular (i) the strategic or business plan, as well as the annual management goals and budget; (ii) the investment and financing policy; (iii) the definition of the structure of the group of companies; (iv) the governance policy; (v) the corporate social responsibility policy; (vi) the risk control and management policy, as well as regular monitoring of the internal reporting and control systems; (vii) the dividends and treasury stock policies and, in particular, their limits.
6. The Board will approve a policy for the selection of directors that will be specific and verifiable and will ensure that the proposals for appointment or re-election are based on a prior analysis of the needs of the Board of Directors and promote diversity of knowledge, experience and gender in accordance with the best corporate governance practices.

The result of the prior analysis of the needs of the Board of Directors will be collated in a supporting report by the Appointments and Remuneration Committee, which will be published when the General Shareholders' Meeting is called to which the ratification, appointment or re-election of each director is submitted.

Article 8. Qualitative composition

1. The Board of Directors, in the exercise of its power of proposal to the General Shareholders' Meeting and of covering vacancies by means of co-option, will ensure that, to the greatest possible extent, in the composition of the body, external or non-executive directors represent a majority with respect to executive directors, trying to ensure that the number of independent directors represents at least one third of the total members of the Board of Directors. Likewise, the number of executive directors will be the minimum required, taking into account the complexity of the corporate group and the executive directors' shares in the Company's capital.
2. The definitions of the different types of directors will be those established in the regulations in force, or in their absence, in the corporate governance recommendations applicable to the Company at any time. Without prejudice to the above, only those directors who have held the position for more than twelve years without interruption may be classified as independent.
3. The Board will ensure that, amongst external directors, the ratio between the number of proprietary directors and the number of independent directors reflects the existing ratio of the Company capital represented by the proprietary directors to the rest of the capital.
4. The Board will avoid any discrimination amongst shareholders in their access to the Board of Directors through proprietary directors.

5. The nature of each director will be explained by the Board to the General Shareholders' Meeting in which they are appointed or ratified, and will be confirmed or, if applicable, reviewed on a yearly basis in the annual corporate governance report, after being verified by the Appointments and Remuneration Committee. Should there be any external director who cannot be regarded as proprietary or independent, the Company will explain this circumstance and the directors' links either to the Company or its management or to its shareholders.
6. The Board of Directors will ensure that the procedures for the selection of its members promote diversity in aspects relating to training and professional experience, ~~knowledge, director's training,~~ age, disability, and gender, and that they have no implicit biases that might lead to discrimination and, in particular, that they encourage the selection of women directors, ~~establishing a diversity policy or guidelines for such purpose.~~ in a number that allows a balanced presence of women and men.

Article 15. Appointments and Remuneration Committee. Composition, competences and operation

1. The Board of Directors will create, on a permanent basis, an Appointments and Remuneration Committee, an internal informative and consultative body, with no executive functions, with faculties of information, advice and proposal within the scope of action provided in Section 24 of this article. The Appointments and Remuneration Committee will be comprised a minimum of three and a maximum of five members, appointed by the own Board of Directors, amongst the non-executive directors, at the proposal of the Chairman of the Board. A majority of the members of the Appointments and Remuneration Committee will be independent directors. Likewise, the Board of Directors will appoint the Committee's Chairman from amongst the independent members that form part of such Committee. The role of Secretary and the Deputy Secretary of the Appointments and Remuneration Committee will be performed by the Secretary of the Board of Directors and, where applicable, by the Deputy Secretary of the Board.
2. The members of the Appointments and Remuneration Committee will have the appropriate knowledge, aptitudes and experience for the functions they are called on to perform, without prejudice to also seeking to promote diversity, taking into account the principle of proportionality, in relation to gender, professional experience, skills, personal abilities, sectoral knowledge or international experience.
3. The members of the Appointments and Remuneration Committee will hold their positions while their appointment as directors of the Company remains valid, unless the Board of Directors decides otherwise. ~~The renewal, re-election and removal of the members who form the Commission will be governed as agreed by the Board of Directors.~~

4. Notwithstanding the other functions that it may be assigned by the Board of Directors, the Appointments and Remuneration Committee will have the following basic responsibilities:

a. Competences with regard to the composition of the Board of Directors and its committees

i. a. Evaluate Advise and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, in particular, evaluate the necessary competences, knowledge and experience in the Board of Directors. To this end, the Board will define the necessary functions and skills of candidates who will cover each vacancy and will evaluate the time and dedication needed for to properly perform their duties, ensuring that non-executive directors have sufficient time available for the proper performance of their duties.

ii. b. Establish a representation goal for the less represented sex on the Board of Directors and provide guidelines on how to achieve such goal, proposing to the Board of Directors the policy of diversity of directors based, among others, on the criteria of age, disability, training, professional experience and gender.

~~e. Submit to the Board of Directors the nomination proposals of independent directors for appointment by means of co-option or for submission to General Shareholders' Meeting decision, as well as proposals for the re-election or removal of such directors by the General Shareholders' Meeting.~~

~~d. Inform of the nomination proposals of non-independent directors for appointment by means of co-option or for submission to General Shareholders' Meeting decision, as well as proposals for the re-election or removal of such directors by the General Shareholders' Meeting.~~

~~e. Inform of the proposals for appointment and removal of senior managers and the basic terms of their contracts.~~

~~f. Examine and organize the succession of the Chairman of the Board of Directors and of the Company's first executive director and, if applicable, submit proposals to the Board of Directors so that such succession occurs in an orderly and planned manner.~~

~~g. Propose to the Board of Directors the remuneration policy applicable to directors, general managers or those who perform senior management functions reporting directly to the Board, executive committees or CEOs, as well as the individual remuneration and other contractual terms of executive directors, ensuring its compliance.~~

~~5. Likewise, the Appointments and Remuneration Committee will be responsible for:~~

iii. a. Competences with regard to Annually verify compliance with the criteria for promoting diversity in the composition of the Board of Directors and its committees and to the process for appointing Board of Directors and senior

~~manager internal positions~~ established by the Company, which will be taken account of in the Annual Corporate Governance Report.

- ~~iv. i.~~ Advise the Board of Directors about the most appropriate configuration of the Board of Directors and of its committees, both in size and balance between the different classes of members at all times. To this end, the Committee will regularly review the structure of the Board of Directors and of its committees, particularly when vacancies occur in these bodies.
- ~~v.~~ Verify periodically the Directors' category.
- ~~vi.~~ Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the committees.
- ~~b.~~ Competences related to the selection of candidates to become board members and senior managers.
 - ~~i.~~ Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.
 - ~~ii.~~ Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the non-executive members, and the re-election proposals for such directors by the General Shareholders Meeting as.
 - ~~iii.~~ Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members, and the re-election proposals for such directors by the General Shareholders Meeting.
 - ~~iv. ii.~~ Advise and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, ~~ensuring~~ Draw up the report referred to in article 5.6 of these Regulations and verify, annually, compliance with the member selection policy, reporting on this in the Annual Corporate Governance Report. In particular, the Committee shall ensure that in the promotion of new vacancies or the nomination of new directors, the selection procedures do not include implicit processes that might imply any discrimination and, in particular, that might impede the selection of ~~members, similarly establishing a goal of their representation on the Board and providing guidelines on how to achieve such goal~~ women.
 - ~~iii.~~ Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the committees.
 - ~~v.~~ Inform of the proposals of the Chairman of the Board of Directors or of the Chief Executive Officer related to nomination or removal of senior managers.

c. Competences related to and to the process for appointing internal positions of the Board of Directors.

- i. ~~iv.~~ Inform of the proposals with regard to the appointment or removal of the Chairman of the Board of Directors.
- ii. ~~v.~~ Advise of proposals of the Chairman of the Board of Directors regarding the appointment or removal of the CEO.
- iii. ~~vi.~~ Examine or ~~organise~~organize the succession of the Chairman of the Board of Directors and of the senior executive of the Company and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way.
- iv. ~~vii.~~ Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Deputy Chairman or Deputy Chairmen of the Board of Directors.
- v. ~~viii.~~ Bring to the Board of Directors the proposal of nomination of a ~~non-executive~~an independent coordinating director especially allowed in the event that the Chairman of the Board of Directors exercises executive functions, and inform of proposals for his/her removal.
- vi. ~~ix.~~ Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Secretary and, as applicable, of the Deputy Secretary or Deputy Secretaries of the Board of Directors, of the Secretary General and of the Legal Counsel.

~~x. Advise of the proposals of the Chairman of the Board of Directors or of the Chief Executive Officer related to nomination or removal of senior managers.~~

~~xi. Annually verify compliance with the criteria for promoting diversity in the composition of the Board of Directors established by the Company, which will be taken account of in the Annual Corporate Governance Report.~~

~~b. Competences related to the selection of candidates to become board members.~~

- ~~i. Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.~~
- ~~ii. Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the non-executive members.~~
- ~~iii. Prove compliance with the requirements specifically applicable to non-executive members in law and in the Company's internal standards and collating suitable~~

~~information about their personal qualities, experience and knowledge and about their availability.~~

~~iv. Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members.~~

~~v. Draw up the report referred to in article 5.6 of these Regulations and verify, annually, compliance with the member selection policy, reporting on this in the Annual Corporate Governance Report.~~

d. ~~e.~~ Competences related to the evaluation ~~and re-election~~ of board members

i. Establish and oversee an annual programme of continuous evaluation and review of the qualification, education and, as applicable, independence, as well as maintenance of the terms needed to exercise the role of board member and committee member, and proposing to the Board of Directors those measures it considers appropriate in this regard.

ii. ~~Participate in the annual process of evaluating~~ Conduct in coordination with the Chairman of the Board and with the support, where appropriate, of the coordinating director, the annual evaluation of its own functioning and that of its committees including the evaluation of the performance of the Chairman of the Board of Directors and of the Chief Executive Officer. ~~iii. — Bringing to the Board of Directors its proposal (in the case of the non-executive members) or report (in the case of the other members), about re-election of members., and submit to the board the results of its evaluation together with a draft action plan and recommendations to correct any deficiencies identified or to improve the functioning.~~

e. ~~d.~~ Competences related to the withdrawal and termination of board members.

i. Inform the Board of Directors about proposals for removal ~~due to~~ of non-independent directors in case of breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination have been incurred. ~~., in accordance with the law or the Company's internal regulations.~~

ii. ~~Propose the~~ Submit to the Board of Directors the proposals of removal of independent members in the event of ~~incompatibility, prohibitions or any other grounds~~ non-compliance with the duties inherent to the office of director or for having incurred in any of the circumstances of resignation or dismissal ~~or termination~~, in compliance with the law or the Company's internal standards.

f. ~~e.~~ Competences related to remuneration. ~~i. Regularly review the~~ of directors and senior managers' ~~reward policy and propose modifications and updates.~~

- i. Propose to the Board of Directors the remuneration policy applicable to directors and senior managers.
- ii. Regularly review the members reward policy and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company, ensuring its compliance and proposing modifications and updates to the Board of Directors ~~for referral to the General Shareholders Meeting, as well as the amount of their annual remuneration.~~
- iii. Propose to the Board of Directors the individual remuneration of non-executive directors, taking into consideration the functions and responsibilities attributed to each director.
- iv. ~~iii.~~ Propose the individual remuneration of the executive officers and the other basic terms of their contracts for approval by the Board of Directors, including any compensation that may be fixed for early termination in their functions and the amounts to be spent by the Company on insurance premiums or savings system contributions, always in compliance with the Company's internal standards and, in particular, in accordance with the remuneration polity approved by the General Shareholders Meeting.
- ~~iv. Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.~~
- v. Inform of and submit to Board of Directors the proposals of the Chairman of the Board of Directors or the Chief Executive Officer related to the senior managers' reward structure and the basic terms of their contracts, including any compensation that may be fixed for departure.
- vi. Oversee observance of the Company's remuneration programmes and advising on the documents to be approved by the Board of Directors for general disclosure about remuneration information, including the annual report on members' remuneration and the corresponding part of the Company's corporate governance annual report, and verify the information on director and senior officers' pay contained in corporate documents.
- vii. ~~Ensure that any conflicts of interest do not prejudice the independence of the external consultancy supplied to the Committee.~~ Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.
- g. ~~f.~~ Competences related to corporate social responsibility and sustainability.

- i. Be aware of, promote, guide and supervise the Company's action in matters of corporate social responsibility and sustainability and report on them to the Board of Directors or, as applicable, to the Executive Committee.
- ii. Review the Company's corporate social responsibility policy, ensuring it is geared towards creating value, including the monitoring and evaluation of the same and supervising its degree of compliance.

The report issued, as applicable, by the Appointments and Remuneration Committee about the Company's corporate social responsibility policy will be produced using any of the internationally accepted methodologies and will be provided to shareholders and investors via the web page of the Company with sufficient notice prior to the Ordinary General Meeting.

- iii. Supervise and evaluate processes for different interest groups.

h. Ensure that any conflicts of interest do not prejudice the independence of the external consultancy supplied to the Committee in relation with the performance of its duties.

5. ~~6.~~—The Appointments and Remuneration Committee will meet, ordinarily, at least ~~once~~ at three times per year. Similarly, it will meet on request by any of its members and whenever called by its Chairman, who must do so whenever the Board or its Chairman request a report or the adoption of proposals and, in any event, whenever appropriate for the correct progress of its functions.

6. ~~7.~~—The Appointments and Remuneration Committee will be validly formed when a majority of its members are present or represented and its agreements are approved by majority vote. In the event of a tie, the Chairman of the Appointments and Remuneration Committee will have the deciding vote.

7. ~~8.~~—The Committee will produce minutes of its meetings, a copy of which will be sent to all members of the Board of Directors.

8. ~~9.~~—The Committee ~~must consult the Chairman and the Chief Executive of the Company, especially on matters related to the executive officers and senior managers.~~ should establish an annual work programme, covering the main activities during the year.

9. ~~10.~~—The Appointments and Remuneration Committee will produce an annual report on its operations, highlighting the main events that have occurred, if any, related to its functions. The report of the Appointments and Remuneration Committee will be available to shareholders and investors via the web page with sufficient notice prior to the ~~ordinary general meeting.~~ Ordinary General Meeting.

10. ~~11.~~—For best compliance with its functions, the Appointments and Remuneration Committee may call on the advice of external experts when it deems this necessary for suitable compliance with its functions.

Article 19. Appointment of directors

1. Directors will be appointed by the General Meeting or by the Board of Directors in accordance with the provisions contained in the applicable regulations, the Articles of Association, and these Regulations.
2. Upon the appointment of a new director, he/she will follow a new director's orientation programme established by the Company, in order for him/her to quickly acquire sufficient knowledge of the Company, as well as its corporate governance rules.
3. To the extent applicable, the members of the Board of Directors will be subject to Law 53/1984 of 26 December, on the Incompatibilities of Personnel in the Service of Public Administrations, to Law ~~53/2006 of 10 April, governing conflicts of interest of members of the Government and holders of High Posts~~2015 of 30 March, regulator of the exercise of the high position of the General State Administration, and other regulations on incompatibilities.
4. The directors of the Company may sit on up to a maximum of four other boards of directors of listed companies (apart from the Company).

Article 28. General directors' obligations

1. In the performance of their functions, directors will act with the care of a reasonable businessperson and a loyal representative. Their actions will be guided solely by the corporate interest, seeking to best defend and protect the interests of all shareholders, to whom their authority is owed and to whom they are accountable. Particularly and notwithstanding the obligations imposed by the Law and the Articles of Association, directors are obliged to:
 - a. Be informed and adequately prepared for meetings of the Board of Directors and of the delegated bodies to which they may belong;
 - b. Attend meetings of the Board of Directors and actively participate in the deliberations so that their ~~judgements~~judgments are effectively reflected in decision-making.

In the event that, for fair cause, a director cannot attend the meetings to which he/she has been called, then he/she will designate a director to be his/her representative.
 - c. Contribute ~~(and the independent directors to a greater extent)~~ their strategic vision, as well as concepts, criteria, and innovative measures for the optimal development and evolution of the business of the Company.
 - d. Carry out any specific tasks entrusted to them by the Board of Directors or any of their delegated and/or consultative bodies and that are reasonably included in their commitment of dedication.
 - e. Investigate any irregularity in the management of the company of which they may have become notified and monitor any risk situation.

- f. Request the persons with the capacity to call meetings to convene an extraordinary meeting of the Board of Directors, or include in the agenda of the call the items the director considers appropriate.
- g. Object to resolutions contrary to the Law, the Articles of Association, or the corporate interest, and request their position to be recorded in the minutes if they deem it more useful for the safeguarding of the corporate interest. Independent directors and other directors not affected by the potential conflict of interest will especially clearly express their objection to decisions that may harm shareholders not represented on the Board of Directors.

In the event that the Board of Directors adopts significant or repeated resolutions in respect of which a director has made serious reservations, the latter will draw the appropriate conclusions, and if he/she should opt to resign then he/she will explain the reasons ~~therefor~~therefore in the letter of resignation.

The provisions of this letter will apply to the Secretary of the Board, despite not having the status of director.

- 2. In any event, directors will dedicate the time and effort necessary to perform their role effectively, and they will consequently inform the Appointments and Remuneration Committee of their other professional obligations, in case these could interfere with the dedication required.



REPORT BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE APPROVAL OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE'S REGULATIONS WHICH IS INCLUDED IN ITEM ELEVEN OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING TO BE HELD ON MARCH 16 AND 17, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

The Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**" or "**Lar España**") issues this report with the purpose of informing the General Shareholders' Meeting about the approval of the Appointments and Remunerations Committee's Regulations (the "**Regulations**") approved by the Board of Directors of the Company on 12 December 2019.

The complete text of the referred Regulations is **attached** to this report.

2. GENERAL JUSTIFICATION OF THE PROPOSAL

These regulations are based on the amendment of article 15 of the Board of Directors' Rules and Regulations, developing this amendment through a specific Regulation for the Appointments and Remunerations Committee.

The approval of these Regulations are carried out within the continuous review and updating process carried out by the Company in connection with its internal corporate governance rules. This approval is aimed to introduce the provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission on Appointments and Remunerations Committees with respect to the composition and functioning of the Appointments and Remunerations Committee, as well as to incorporate the basic provisions set forth in the Good Governance Code for Listed Companies (2015) approved by the Spanish National Securities Market Commission ("**CNMV**") that are also applicable to the referred Committee.

3. COMPLETE TEXT OF THE REGULATIONS

The complete text of the Appointments and Remunerations Committees Regulations is attached to this report.

Madrid, 13 February 2020



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

ANNEX
COMPLETE TEXT OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE'S
REGULATIONS APPROVED BY THE COMPANIES' BOARD OF DIRECTORS AT ITS MEETING
HELD ON 12 DECEMBER 2019

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Appointments and Remuneration Committee Regulations
of
Lar España Real Estate SOCIMI, S.A.

Madrid, 12 December 2019



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

CONTENTS

Article 1. Purpose	2
Article 2. Interpretation, amendment and dissemination	2
Article 3. Composition of the Appointments and Remuneration Committee	2
Article 4. Committe positions	3
Article 5. Functions of the Appointments and Remuneration Committee	3
Article 6. Call of the meetings	7
Article 7. Meetings	8
Article 8. Constitution and adoption of resolutions	9
Article 10. Access to information and advice	9
Article 11. Means and resources	10
Article 12. Relations of the Appointments and Remuneration Committee with other instances of the Company and its shareholders	10

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Article 1. Purpose

1. The Appointments and Remuneration Committee of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the “**Company**”) is formed in accordance with that set forth in the Spanish Corporate Enterprises Act and in Article 43 of the Bylaws and Article 15 of the Company’s Board of Directors Regulations.
2. The purpose of these Appointments and Remuneration Committee Regulations, approved by the Company’s Board of Directors, is to establish the rules regarding the organisation and functioning of its Appointments and Remuneration Committee, implementing, with regard to that deemed appropriate to better carry out its functions, the provisions of the Bylaws and the Board of Directors Regulations based on good governance recommendations and criteria established by the Spanish National Securities Market Commission; all taking into account the characteristics of the Company and its Group and the necessary contextualization of these recommendations within the framework of the proportionality principle.
3. With regard to that not expressly envisaged in these Regulations, the provisions set forth by the Committee itself shall apply, and that established in the Bylaws and the Board Regulations regarding the functioning of the Board of Directors shall also be applicable to the extent possible given its nature and functions.

Article 2. Interpretation, amendment and dissemination

1. The Appointments and Remuneration Committee shall take into account the applicable legislation and the good governance recommendations and criteria established by supervisory bodies and, in particular, by the Spanish National Stock Market Commission in applying and interpreting these Regulations, always in accordance with the proportionality principle therein established.
2. The Regulations shall be reviewed on a regular basis by the Board of Directors, taking into account the proposals put forward in this regard by the Appointments and Remuneration Committee, and shall be available to shareholders and the market in general through their publication on the Company’s website.

Article 3. Composition of the Appointments and Remuneration Committee

1. The Board of Directors shall form an Appointments and Remuneration Committee, on a permanent basis, that will be composed by a minimum of three and a maximum of five directors. They will be proposed by the Chairman of the Board and appointed by the Board of Directors amongst the external directors, trying that the majority of them are independent directors.
2. The members of the Appointments and Remuneration Committee will have the appropriate knowledge, aptitudes and experience for the functions they are called on to perform and, when possible attending to the proportionality principle, the Board will (i) endeavour that

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the members, as a whole, are appointed taking into account their knowledge of and experience in fields such as human resources, selection of directors and senior managers and design of remuneration policies and plans; and (ii) favour diversity in relation to gender, professional experience, skills, personal abilities, sectoral knowledge or international experience; all of this taking into account the limitations arising from the smaller size of the Commission when compared to the Board. The Directors who form part of the Appointments and Remuneration Committee shall hold office for as long as their appointment as Directors of the Company remains in force, unless the Board of Directors decides otherwise.

Article 4. Committe positions

1. The Board of Directors shall appoint the Chairman of the Committee from among the independent Directors that form part thereof.
2. The position of Secretary and Deputy Secretary of the Appointments and Remuneration Committee shall be held by the Secretary and Deputy Secretary of the Board of Directors.

The Secretary or, where applicable, the Deputy Secretary must assist the Chairman of the Committee in planning the meetings and gathering and providing the necessary information sufficiently in advance, drawing up the minutes of the meetings.

Article 5. Functions of the Appointments and Remuneration Committee

1. Without prejudice to any other tasks that may be assigned at any given time by the Board of Directors, the Appointments and Remuneration Committee shall exercise the following basic functions:
 - a. Competences with regard to the composition of the Board of Directors and its Committees
 - i. Advise and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, in particular, evaluate the necessary competences, knowledge and experience in the Board of Directors. To this end, the Board will define the necessary functions and skills of candidates who will cover each vacancy and will evaluate the time and dedication needed for to properly perform their duties, ensuring that non-executive directors have sufficient time available for the proper performance of their duties.

To this end, the Committee shall draw up and regularly update a matrix of the competencies necessary for the board that will define the skills and knowledge of the candidates to become director, particularly those of executive directors and those of independent directors.

- ii. Establish a representation goal for the less represented sex on the Board of Directors and provide guidelines on how to achieve such goal, proposing to the

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- Board the directors' diversity policy based, among others, on criteria related to age, disability, knowledge, professional experience and gender.
- iii. To ensure, annually, compliance with the criteria for promoting diversity in the composition of the Board of Directors established by the Company, which will be reported in the Annual Corporate Governance Report.
 - iv. Advise the Board of Directors about the most appropriate configuration of the Board of Directors and of its committees, both in size and balance between the different classes of members at all times. To this end, the Committee will regularly review the structure of the Board of Directors and of its committees, particularly when vacancies occur in these bodies.
 - v. Verify periodically the Directors' category.
 - vi. Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the committees.
- b. Competences related to the selection of candidates to become board members and senior managers
- i. Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.
 - ii. Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the nonexecutive members and the re-election proposals for such directors by the General Shareholders Meeting.
 - iii. Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members and the re-election proposals for such directors by the General Shareholders Meeting.
 - iv. Draw up the report referred to in article 5.6 of the Regulations of the Board of Directors and verify, annually, compliance with the member selection policy, reporting on this in the Annual Corporate Governance Report. In particular, the Committee shall ensure that in the promotion of new vacancies or the nomination of new directors, the selection procedures do not include implicit processes that might imply any discrimination and, in particular, that might impede the selection of women.
 - v. Inform of the proposals of the Chairman of the Board of Directors or from the CEO for the appointment and removal of senior managers.

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- c. Competences related to and to the process for appointing internal positions of the Board of Directors
 - i. Inform of the proposals with regard to the appointment or removal of the Chairman of the Board of Directors.
 - ii. Advise of proposals of the Chairman of the Board of Directors regarding the appointment or removal of the CEO.
 - iii. Examine or organize the succession of the Chairman of the Board of Directors and of the CEO of the Company and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way, drawing up a succession plan for that purpose..
 - iv. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Deputy Chairman or Deputy Chairmen of the Board of Directors.
 - v. Bring to the Board of Directors the proposal of nomination of a lead non-executive director especially allowed in the event that the Chairman of the Board of Directors exercises executive functions, and inform of proposals for his/her removal.
 - vi. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Secretary and, as applicable, of the Deputy Secretary or Deputy Secretaries of the Board of Directors, of the Secretary General and of the Legal Counsel.
- d. Competences related to the evaluation of board members
 - i. Establish and oversee an annual programme of continuous evaluation and review of the qualification, education and, as applicable, independence, as well as maintenance of the terms needed to exercise the role of board member and committee member, and proposing to the Board of Directors those measures it considers appropriate in this regard.

In particular, will periodically design and organize knowledge update programs for directors.
 - ii. Conduct in collaboration with the Chairman of the Board and with the support of the coordinating director, where appropriate, the annual evaluation of its own functioning and that of its committees including the evaluation of the performance of the Chairman of the Board of Directors and of the Chief Executive Officer, and submit to the board the results of its evaluation together with a draft action plan and recommendations to correct any deficiencies identified or to improve the functioning.

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- e. Competences related to the withdrawal and termination of board members
 - i. Inform the Board of Directors about proposals for removal of non independent directors due to breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination according to applicable law and to the Company's regulations have been incurred.
 - ii. Propose to the Board of Directors the removal of independent directors due to breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination according to applicable law and to the Company's regulations have been incurred.
- f. Competences related to remuneration of directors and senior managers
 - i. Propose to the Board of Directors the remuneration policy applicable to directors and senior managers.
 - ii. Regularly review the members reward policy and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company, ensuring its compliance and proposing modifications and updates to the Board of Directors.
 - iii. Propose to the Board of Directors the individual remuneration of non-executive directors, taking into consideration the functions and responsibilities attributed to each director.
 - iv. Propose the individual remuneration of the executive officers and the other basic terms of their contracts for approval by the Board of Directors, including any compensation that may be fixed for early termination in their functions and the amounts to be spent by the Company on insurance premiums or savings system contributions, always in compliance with the Company's internal standards and, in particular, in accordance with the remuneration policy approved by the General Shareholders Meeting.
 - v. Inform of and submit to Board of Directors the proposals of the Chairman of the Board of Directors or the Chief Executive Officer related to the senior managers' reward structure and the basic terms of their contracts, including any compensation that may be fixed for departure.
 - vi. Review the terms and conditions of the contracts of executive directors and senior management and verify that they are consistent with current remuneration policies
 - vii. Oversee observance of the Company's remuneration programmes and advising on the documents to be approved by the Board of Directors for general disclosure

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about remuneration information, including the annual report on members' remuneration and the corresponding part of the Company's corporate governance annual report.

viii. Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.

g. Competences related to corporate social responsibility and sustainability

i. Be aware of, promote, guide and supervise the Company's action in matters of corporate social responsibility and sustainability and report on them to the Board of Directors or, as applicable, to the Executive Committee.

ii. Review the Company's corporate social responsibility policy, ensuring it is geared towards creating value, including the monitoring and evaluation of the same and supervising its degree of compliance.

The report issued, as applicable, by the Appointments and Remuneration Committee about the Company's corporate social responsibility policy will be produced using any of the internationally accepted methodologies and will be provided to shareholders and investors via the web page of the Company with sufficient notice prior to the Ordinary General Meeting.

iii. Supervise and evaluate processes for different interest groups.

h. Ensure that any conflicts of interest do not prejudice the independence of the external consultancy supplied to the Committee in relation with the performance of its duties.

In the performance and exercise of its functions, the Appointments and Remuneration Committee shall take into account the principles and criteria established in *Technical Guide 1/2019 on Nomination and Remuneration Committees* of the National Securities Market Commission, of 20 February 2019, without prejudice to their adaptation to the particular circumstances and characteristics of the Company and its Group always attending to the proportionality principle.

2. The Appointments and Remuneration Committee shall establish annually an action plan that shall contemplate the main activities of the Committee during the year in relation to the fulfilment of its functions, for which it shall report to the Board, to which it shall be accountable for the work carried out.

Article 6. Call of the meetings

1. The Appointments and Remuneration Committee shall meet regularly, three times per year. Additionally, the Committee shall also meet at the request of any of its members and when called by its Chairman, which must call a meeting whenever the Board or its Chairman

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requests the issuance of a report or the adoption of proposals and, in any case, whenever deemed appropriate for the successful performance of its functions. Whenever possible, meetings of the Committee shall be held sufficiently in advance of Board meetings.

2. The Appointments and Remuneration Committee meetings shall be called by the Secretary of the Committee or, where applicable, the Deputy Secretary, by order of the Chairman, at least three days prior to the meeting, except in cases of emergency that justify calling a meeting immediately or within less time. The call notice will be sent by letter, fax, e-mail or by any other means that provide evidence of receipt.
3. The call notice shall always include the agenda of the meeting and will be accompanied by the necessary information, without prejudice to the fact that in certain circumstances all or part of the information may be provided at the meeting itself.

Article 7. Meetings

1. Appointments and Remuneration Committee meetings shall be held, in accordance with its annual work plan, at the Company's registered office or at any location previously designated by the Chairman and indicated in the call notice.
2. Committee meetings may be held through multiconference calls, videoconference or any other similar systems such that one or several members may attend the meeting through the indicated system. For such purpose, the call notice of the meeting, in addition to indicating the location where the actual meeting will take place, must mention that members may also attend the meeting through conference calls, videoconference or an equivalent system, whereby the technical means necessary for such purpose must be indicated and available, which in any case must enable direct and simultaneous communication between all attendees. The Secretary of the Appointments and Remuneration Committee must place on record in the minutes of the meetings held, in addition to those members attending the meeting in person or, where applicable, represented by another Committee member, those that attend the meeting through the multiconference call, videoconference or similar system.
3. Attendance at meetings of the Committee must be preceded by sufficient dedication on the part of its members to analyse and evaluate the information received.

Additionally, constructive discussions among its members shall be encouraged at the Committee meetings, promoting free expression and the supervisory and analysis mindset of its members, whereby the Chairman of the Committee must ensure that its members freely participate in discussions.

3. The Appointments and Remuneration Committee shall draft an annual report on its performance during the year, which will serve as the basis for the evaluation to be carried out by the Board of Directors, highlighting the main incidents, if any, that have arisen in relation to its functions. The report shall include, among other issues, the significant activities carried out during the period, and report on those that were carried out in collaboration with external experts. The report shall be available to shareholders and

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investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.

4. The Appointments and Remuneration Committee may call any of the members of the management team or the Company's personnel, even ordering their appearance without the presence of another senior officer. Those called shall be obliged to attend the meetings of the Appointments and Remuneration Committee and provide their collaboration and access to the information they have available. The Committee may also require attendance at its meetings by other persons, although only by invitation of the Chairman of the Committee and only to discuss those specific items on the agenda for which they are summoned in so far as it is justified by reason of the case in question, so that such presence does not become customary practice. In this regard, care shall be taken to ensure that guests do not attend the deliberation and voting phases of the Committee.

Article 8. Constitution and adoption of resolutions

1. The Appointments and Remuneration Committee shall be validly convened when the majority of its members are present, in person or represented, adopting resolutions by majority of votes. The Chairman of the Appointments and Remuneration shall have the casting vote in the event of a tie.
2. Appointments and Remuneration Committee members may grant its representation to another member of the Committee. Representation shall be granted in writing specifically for each meeting.
3. In case of conflicts of interest, the Committee member affected must abstain from participating in the deliberation and voting on resolutions or decisions in which such member or a person related thereto has a direct or indirect conflict of interest.

Article 9. Committee meeting minutes

1. The conclusions and proposals drawn up at the Appointments and Remuneration Committee meetings, which shall be signed by the Chairman and the Secretary or, where applicable, by whoever replaces them in the performance of their functions, shall be placed on record in the minutes.
2. A copy of the Committee meeting minutes shall be sent to all members of the Board of Directors.

Article 10. Access to information and advice

1. The Appointments and Remuneration Committee may access in an appropriate, timely and sufficient manner any information or documentation that the Company has relating to matters of its competence, provided it is deemed necessary to carry out its functions.

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2. Additionally, the Committee may engage, at the expense of the Company, the collaboration with or advisory services of external professionals when deemed necessary or appropriate to better perform its functions.

In particular, the Committee must transparently record any relationship or situation of conflict of interest that affects external advisors, requesting that their proposals for services include a breakdown of all possible conflicts with the Company or its directors.

Article 11. Means and resources

1. The Appointments and Remuneration Committee shall approve a regular training plan that ensures the knowledge of the members of the Committee is up to date. A welcome programme for new members shall also be provided.
2. In order to fulfil its functions, the Appointments and Remuneration Committee shall have the necessary means and resources. Resources needs must be channelled through the Secretary of the Company's Board of Directors.

Article 12. Relations of the Appointments and Remuneration Committee with other instances of the Company and its shareholders

1. The Appointments and Remuneration Committee must establish an effective and regular communication channel with its usual partners, which will normally correspond to the Chairman of the Committee and, among others, with:
 - a) The Chairman of the Board of Directors;
 - b) The Coordinating Independent Director, in the event that he is not a member of the Committee; and
 - c) the Company's managers.
2. The Chairman of the Appointments and Remuneration Committee shall act as the spokesperson at the Board of Directors meetings and, when applicable, at the Company's General Shareholders' Meeting.
3. The Committee must consult the Chairman and the Chief Executive of the Company, especially on matters related to the appointment of executive directors and to the remuneration of senior managers and executive directors. Any director may approach the committee to propose candidates that it might consider suitable to cover vacancies on the Board.

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