



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 April 21, 2021, at 12:00 on first call, or, if the required quorum is not met, on second call, on April 22, 2021, at the same place and time. It is expected that the ordinary general shareholders meeting will be held on second call, on April 22, 2021.

For the purposes of the above paragraph, the following documents are attached hereto: complete text of the shareholders meeting call and agenda, which is expected to be published tomorrow in "El Economista" newspaper, as well as the resolution proposals and reports on the items of the agenda that require it.

Madrid, March 18, 2021.

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



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

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. 2021 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 April 21, 2021, at 12:00 on first call, or, if the required quorum is not met, on April 22, 2021, 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 April 22, 2021, 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*).

Taking into account the current limitations imposed from time to time as a consequence of the COVID-19 situation, in person or physical attendance to the General Shareholders Meeting is discouraged and proxy attendance or absentee voting is recommended. In person or physical attendance will be subject to the compliance of the security and distancing rules or recommendations that may be applicable from time to time, which could result in a limited access to the place of the General Shareholders Meeting.

Only for those cases in which the measures adopted by the relevant authorities as a consequence of the COVID-19 situation require it, the Company reserves the right to enable the possibility of enabling attendance to the General Shareholders Meeting through electronic means. In those cases, the Company will, through the same media outlets used for the announcement of this call, inform shareholders about the activation of this attendance channel and about the specific rules for its use.

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 2020.
- 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 2020.
- Three.-** Approval, if appropriate, of the Board of Directors' management and activities during financial year 2020.



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II. Dividend distribution:

Four.- Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for financial year 2020.

III. Company's auditor:

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

IV. Board of Directors:

Six.- Re-election, if appropriate, of Ms. Isabel Aguilera Navarro as independent director of the Company for the statutory period of three years.

V. Remuneration of the members of the Board of Directors

Seven.- Approval, if appropriate, of the directors' Remuneration Policy.

VI. Corporate Governance of the Company

Eight.- Approval, if appropriate, of the amendments to the Articles of Association.

- 8.1. Amendments regarding the registered address of the Company and its corporate website.
- 8.2. Amendments regarding shares capital decreases and the issue of bonds.
- 8.3. Amendments regarding the General Shareholders Meeting.
- 8.4. Amendments regarding the Board of Directors of the Company.
- 8.5. Amendments regarding the annual accounts and the distributions of profit.
- 8.6. Amendments regarding the liquidation of the Company.
- 8.7. Approval, as a result of the previous amendments, of a consolidated text of the Company's Articles of Association.

Nine.- Approval, if appropriate, of the amendments to the General Shareholders Meeting Regulations.

- 9.1. Amendments regarding the interpretation, amendment and publication of the General Shareholders Meeting's Regulations.
- 9.2. Amendments regarding the kinds and the powers of the General Shareholders Meeting.
- 9.3. Amendments regarding the call and the preparation of the General Shareholders Meeting.
- 9.4. Amendments regarding the right to attend and to proxy vote and the



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constitution of the General Shareholders Meeting.

- 9.5. Amendments regarding interventions and resolutions' approvals in the General Shareholders Meeting.
- 9.6. Approval, as a result of the previous amendments, of a consolidated text of the General Shareholders Meeting Regulations.

VII. General matters:

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

VIII. Consultative vote:

Eleven.- Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2020.

IX. Informative matters:

Twelve.- Acknowledgement of the amendments to the Board of Directors' Regulations, the Audit and Control Committee's Regulations and 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 April 16, 2021 or April 17, 2021, 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 received by the Company before 24:00 on April 20, 2021.

AVAILABLE INFORMATION AND DOCUMENTATION

Until the fifth day prior to the Shareholders Meeting, inclusive, shareholders may request in writing the



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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 2020.

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 director whose re-election is proposed to the General Meeting, her background and professional experience; directorships held in other relevant companies, either listed or not; the director's class to which she belongs; the date of her 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 2020 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 2020; (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 2020; (8) the annual corporate governance report for financial year 2020; (9) the annual director remuneration report for financial year 2020; (10) the report prepared by the Audit and Control Committee of the Company on its functions during the financial year 2020; (11) the annual report prepared by the Appointments and Remunerations Committee regarding financial year 2020; (12) the report prepared by the Audit and Control Committee regarding the independence of the external auditor (included in the report prepared by the Audit and Control Committee on its functions during the financial year 2020); (13) the report prepared by the Audit and Control Committee regarding related transactions (included in the report prepared by the Audit and Control Committee on its functions during the financial year 2020); (14) the current text of the Articles of Association, General Shareholders Meeting Regulations, Board of Directors Regulations and other documents comprising the corporate governance system for the Company, as well as the resulting text if the amendments proposed to the General Meeting are approved; (15) the report prepared by the Board of Directors regarding the amendments of its Regulations, the amendments to the Regulations of the Audit and Control Committee and the amendments to the Regulations of the Appointments and Remunerations Committee; (16) 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; (17) a description of the shareholder's information right; (18) the rules of the Electronic Shareholders Forum; and (19) information regarding the total number of shares and voting rights on the date of publication of this announcement of call to meeting.



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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 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 2020, of the proposed resolutions, including those relating to the amendments of the Articles of Association, 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.

Taking into account the current limitations imposed from time to time as a consequence of the COVID 19 situation, shareholders that want to obtain a copy of all or certain documents that are submitted to the General Shareholders Meeting, as well as their corresponding reports, are advised to file a request via email to the following address juntaaccionistas@larespana.com, given that the referred limitation, while in place, might prevent such shareholders from being attended and accessing the Company's corporate offices.

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

Until March 24, 2021, 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 audio-visual 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,



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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 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 recognised 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 March 18, 2021

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. 2021

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 2020

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 December 31, 2020, which were drawn up by the Board of Directors at its meeting held on February 23, 2021.



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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 2020

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 2020, which were drawn up by the Board of Directors at its meeting held on February 23, 2021.



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ITEM THREE ON THE AGENDA

Approval, if appropriate, of the Board of Directors' management and activities during financial year 2020

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 December 31, 2020.



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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 2020

RESOLUTION

To approve the proposed allocation of profits and distribution of dividends prepared by the Board of Directors at its meeting held on February 23, 2021, which is described below:

To distribute, with a charge to the results for the financial year ended on December 31, 2020, a gross dividend of EUR 0.2076 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 2020:EUR 20,211 thousand

DISTRIBUTION:

To legal reserve (minimum amount): EUR 2,021 thousand

To dividends (maximum amount to distribute corresponding to a fixed dividend of EUR 0.2076 (gross) per share):..... EUR 18,190 thousand

TOTAL: EUR 20,211 thousand

In addition, a share premium distribution is approved for an amount of EUR 9,310 thousand (0.1062 per shares).

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 January 1, 2021. 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.



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ITEM SIX ON THE AGENDA

Re-election, if appropriate, of Ms. Isabel Aguilera Navarro 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 Ms. Isabel Aguilera Navarro as member of the Board, under the category of "independent director", for the statutory period of three years.



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ITEM SEVEN ON THE AGENDA

Approval, if appropriate, of the directors' Remuneration Policy

RESOLUTION

Approve the remuneration policy of the members of the Company's Board of Directors for the financial years 2021, 2022 and 2023, drafted in accordance with article 529 novadecies of the Spanish Companies Law (the "**Remuneration Policy**").

The Board of Directors has resolved to submit to the General Shareholders Meeting the Remuneration Policy attached to this motivated proposal that derives from the report and proposal of the Appointments and Remunerations Committee, which the Board completely subscribes.

The Board of Directors considers that the Remuneration Policy submitted to the approval of the General Shareholders Meeting is proportional to the relevance of the Company, it conforms with the economic situation of the Company and is in accordance with market standards of comparable companies, being, in addition, compatible with the long-term strategy, objectives, values and interests of the Company.

ITEM EIGHT ON THE AGENDA

Approval, if appropriate, of the amendments to the Articles of Association

RESOLUTION

Following the mandatory report from the Board of Directors, approve the amendments to the following articles of the Articles of Association: article 3 (Registered address and corporate website), article 15 (Capital reduction), article 16 (Bond issuance), article 19 (Governing bodies), article 20 (General Shareholders' Meeting), article 21 (Kinds of General Meetings of shareholders), article 22 (Call of General Meetings of shareholders), article 24 (Constitution), article 25 (Attendance at the General Meeting by telematic means), article 26 (Equal treatment), article 27 (Attendance, representation and disclosure rights of shareholders), article 28 (Casting of votes and granting of representation by remote means of communication prior to the General Meeting), article 30 (Deliberation and adaptation of resolutions), article 32 (Board of Directors), article 33 (Powers of the Board of Directors), article 34 (Composition of the Board of Directors), article 35 (Term of office), article 38 (Board of Directors Meetings), article 39 (Conduct of meetings), article 40 (Remuneration of directors), article 41 (Delegated and Advisory Bodies of the Board of Directors), article 42 (Audit and Control Committee. Composition, authority and functioning), article 43 (Appointments, Remuneration and Sustainability Committee), article 44 (Financial year and preparation of the financial statements), article 46 (Approval of financial statements and application of profits), article 50 (Liquidation).

The main purpose of these amendments is to incorporate certain improvements on corporate governance matters that derive from the latest update to the Good Governance Code of Listed Companies, approved on June 26, 2020, and that must be reflected in the Articles of Associations, as well as the purpose of incorporating certain technical improvements.

The referred articles of the Articles of Association will be submitted to vote in the following groups of articles:

8.1 Amendments regarding the registered address of the Company and its corporate website

"Article 3. - Registered address and corporate website

- 1. The registered address is established at Calle Rosario Pino 14-16, Madrid, where the actual administration and management offices of the Company will be located.*
- 2. The Board of Directors can change the company's registered address within national territory, and it may also establish, close or move commercial or administrative offices, storehouses, agencies, representations, delegations or branches in any location in Spain or abroad.*
- 3. The Company shall have a corporate website (www.larespana.com) operating under the terms of the Spanish Companies Law, which shall be registered at the Trade Registry. This corporate website shall publish any documents that must by law be disclosed, these Articles of Association and any other internal rules, in addition to any information deemed appropriate to be made available to shareholders and investors through this medium.*
- 4. The Board of Directors shall have the power to modify and move the Company's corporate website."*



8.2 Amendments regarding shares capital decreases and the issue of bonds

"Article 15. – Capital reduction

1. Pursuant to the procedures set forth by law, capital reductions can be effected by reducing the nominal value of the shares, amortising them or grouping them in order to exchange them and, in all cases, the purpose can be to refund contributions, write off uncalled capital, set up or increase reserves, re-establish the balance between the Company's share capital and net equity, which has dropped as a result of losses, or a combination of several such purposes.

2. In the case of capital reductions in order to refund the value of the contributions, shareholders may be paid fully or partially in kind, provided that the conditions set forth in article 46.6 herein below are met.

3. The General Shareholders' Meeting may resolve, pursuant to the terms of applicable regulations, to reduce the share capital in order to amortise a certain group of shares, provided that said group is defined under substantive, homogeneous, objective and non-discriminatory criteria. In this case, the measure must be approved by the majority of the shares belonging to shareholders pertaining to the affected group and by the majority of the shares of the other shareholders in the Company. The amount to be paid by the Company can be no less than the arithmetical mean of the closing prices of the Company's shares in the Continuous Market of the Securities Market during the month prior to the date upon which the resolution to reduce the share capital is adopted.

4. The General Meeting may delegate to the Board of Directors the power to determine the date on which the resolution already adopted to reduce the capital must be carried into effect, and to set the conditions thereof in all matters not provided for by the General Meeting, as well as to cancel a capital reduction previously approved by the General Meeting for reasons of corporate interest, all within the limits established by Law."

"Article 16. – Bond issuance

1. The General Shareholders' Meeting, in the terms set forth by law, may delegate the power to issue simple, convertible and/or exchangeable bonds and debentures giving the debenture holders a share in the Company's profits to the Board of Directors. The Board of Directors may use this delegation power one or more times during a maximum term of five years.

2. Likewise, the General Shareholders' Meeting can also authorise the Board of Directors to establish the time at which the agreed issuance is to take place, and to set any conditions not stipulated in the resolution by the General Shareholders' Meeting."

8.3 Amendments regarding the General Shareholders Meeting

"Article 20. – General Shareholders' Meeting

1. The General Shareholders' Meeting, when duly convened and constituted shall represent all the shareholders, and all the shareholders shall be subject to its decisions in relation to the matters pertinent to its powers, including shareholders in disagreement or not present at the meeting, without prejudice to their right to challenge such decisions, as set forth by law.

2. The General Shareholders' Meeting shall be governed by the terms of applicable regulations, the Articles of Association, the General Shareholders' Meeting Regulations that complement and implement the terms of law and articles of association in relation to meeting announcements and preparation, how they are held and conducted, and the exercise of disclosure, attendance, representation and voting rights of shareholders, as well as in such other implementing rules as may



be adopted by the Board of Directors with the scope of its powers. The General Shareholders' Meeting Regulations must be approved by the General Meeting."

"Article 21. – Kinds of General Meetings of shareholders

1. *General Meetings of shareholders may be ordinary or extraordinary.*
2. *The ordinary General Meeting of shareholders must necessarily be held within the first six months of each year in order to, where appropriate, approve the management of the company, approve the financial statements of the previous year and decide upon the allocation of profits, without prejudice to all other legally enforceable matters and to its authority to deliberate and decide any other matter appearing in the agenda. The ordinary General Meeting of shareholders will be valid even if called or held beyond that term.*
3. *Any General Meeting of shareholders other than the one contemplated in the preceding section will be considered to be an extraordinary."*

"Article 22. – Call of General Meetings of shareholders

1. *General Meetings of shareholders will be called by the Board of Directors by notice published in the manner and with the minimum content provided by law, at least one month prior to the date scheduled for the meeting to be held, without prejudice to the provisions of section 2 below in this article and the cases in which the law establishes a longer period of advance notice.*
2. *When the Company offers its shareholders the effective possibility of voting by electronic means accessible to all of them, the extraordinary General Meetings of the Company may be called a minimum of fifteen days in advance, after a resolution adopted at an ordinary General Meeting on the terms for that purpose applicable in accordance with the applicable regulations of the Company.*
3. *The website on which the notice of call of General Meetings of shareholders will be published is www.larespana.com.*
4. *Shareholders representing at least 3% of the share capital may, within the terms and on the conditions established by law, request that a supplement to the call of an ordinary General Meeting of shareholders be published, including one or more points on the agenda, provided that the new points are accompanied by an explanation or an explained proposed resolution, and they may also present explained proposed resolutions regarding issues already on the agenda or that are to be included on the agenda of an already called General Meeting of shareholders. The Company will publish the supplement to the call and the aforesaid explained proposed resolutions on the terms contemplated by law.*
5. *If a duly called General Meeting of shareholders is not held on first call, and the date on second call is not stated in the notice, it must be notified, with the same agenda and the same publication requirements as the first, within the fifteen days following the date of the General Meeting that was not held, at least ten days in advance of the meeting date.*
6. *The Board of Directors must also call the General Meeting of shareholders whenever shareholders representing at least 3% of the share capital so request, in the request stating the matters to be discussed at the General Meeting, which must necessarily be included on the agenda by the Board of Directors. In this case, the General Meeting must be called to be held within the term contemplated in applicable regulations.*
7. *In the event of a call of a General Meeting of shareholders by the judicial clerk or by the Registrar of the Commercial Registry of the Company's corporate domicile, the corresponding applicable regulations will apply."*

"Article 24. – Constitution

1. *The General Shareholders' Meeting, whether ordinary or extraordinary, shall be constituted in a valid manner at the first session when the shareholders present or represented hold at least 25% of the subscribed capital with voting rights and the second session shall be constituted in a valid manner regardless of the capital present. The cases set forth in applicable regulations or herein that require a greater quorum for resolutions to be adopted are not included.*

2. *Absences taking place after the General Shareholders' Meeting has been constituted shall not alter the validity of the meeting."*

"Article 25. – Attendance at the General Meeting by telematic means

Attendance at the General Meeting by telematic and simultaneous means that duly guarantee the identity of the shareholders and their representatives and the casting of votes during the General Meeting may be admitted when so resolved by the Board of Directors, subject to the requirements set forth in the Regulations of the General Meeting, which may empower the Board of Directors to regulate, in compliance with the Law and the Articles of Association, all the necessary procedural aspects."

"Article 26. – Equal treatment

The Company shall, at all times, guarantee equal treatment of all the shareholders in the same class as regards information, participation and exercising voting rights at General Shareholders' Meetings.

In particular, it should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote."

"Article 27. – Attendance, representation and disclosure rights of shareholders

1. *The Company shareholders shall be entitled to attend General Shareholders' Meetings, regardless of the number of shares they hold, provided that they are registered in its name in the relevant book-entry register at least five days before the General Meeting of Shareholders is to be held.*

2. *The attendance, representation and disclosure rights of the shareholders in relation to the General Meeting shall be governed by the regulations applicable to the Company at any given time and by the terms of the General Shareholders' Meeting Regulations.*

3. *The Chairman of the General Shareholders' Meeting can authorise the Company's directors, managers and technicians and other parties with an interest in the development of company affairs to attend meetings. It may also invite parties other than those mentioned herein, as deemed appropriate, the General Meeting may, however, revoke such authorisation."*

"Article 28. – Casting of votes and granting of representation by remote means of communication prior to the General Meeting

1. *Shareholders with the right to attend meetings can issue absentee votes prior to the General Meeting on the proposals made in relation to the points on the meeting agenda, regardless of the General Meeting type, as well as grant their representation, by post, electronic or by any other remote communication means established, where applicable, by the Board of Directors that duly guarantees the identity of the shareholders exercising or delegating their voting rights and, where appropriate, the security of electronic communications, as a result of the announcement of each General Shareholders' Meeting, in accordance with the terms of the General Shareholders' Meeting Regulations.*



2. *Votes issued and representation granted by remote communication means shall only be valid when received by the Company before midnight on the date immediately prior to the scheduled date for the first session of the General Shareholders' Meeting to be held. Otherwise, the vote shall be deemed as not issued and delegation as not granted.*

3. *The Board of Directors, pursuant to the terms of the General Shareholders' Meeting Regulations, may implement the preceding provisions, establishing rules, means and procedures in line with the state of the art to implement the issuance of votes and granting representation status by remote communication methods, complying, in such case, with applicable rules in this regard. In particular, the Board of Directors may reduce the period of notice set forth in the preceding paragraph for the receipt by the Company of votes issued and delegations granted. The implementation rules adopted in accordance with the terms herein shall be published on the Company's website.*

4. *If a shareholder attends a General Shareholders' Meeting in person, either physically or telematically, the vote issued or the representation granted by post, electronic or other remote communication means shall be rendered null and void.*

5. *Shareholders entitled to attend who issue their votes by absentee ballot in accordance with the terms in this article herein shall be considered present for the purposes of constituting the relevant General Shareholders' Meeting. Consequently, delegations issued earlier shall be deemed to have been revoked and those issued later shall be deemed not to have been made."*

"Article 30. – Deliberation and adaptation of resolutions

1. *The Chairman shall submit the issues included in the meeting agenda and, where appropriate, any matters not included in the agenda that may have been submitted in accordance with the Law for deliberation by the shareholders at the General Meeting. To this end, such party shall be authorised to call the meeting to order and impose discipline so that the meeting can be held in an orderly fashion.*

2. *Once each issue has been sufficiently debated, the Chairman shall put it up for a vote. The Chairman shall be responsible for establishing the voting system deemed most appropriate and for leading the relevant procedure, complying, where applicable, with the implementation rules set forth in the General Shareholders' Meeting Regulations.*

3. *Each share with the right to vote that is present or represented at the General Shareholders' Meeting shall be entitled to one vote.*

4. *Resolutions of the General Meeting shall be adopted when there is a vote in favour by the simple majority of the votes of the shareholders present or represented at the General Shareholders' Meeting. The cases set forth in applicable regulations or herein that require a different majority for resolutions to be adopted are not included."*

8.4 Amendments regarding the Board of Directors of the Company

"Article 19. – Governing bodies

1. *The governing bodies of the Company are the General Shareholders' Meeting and the Board of Directors, which shall have the powers assigned to them respectively herein and such powers may be delegated in the manner and to the extent stipulated herein.*



2. *The powers that are not attributed to the General Shareholders' Meeting by law, the Articles of Association or the Regulations of the General Meeting of Shareholders shall correspond to the Board of Directors."*

"Article 32. – Board of Directors

1. *The Company shall be managed by a Board of Directors.*

2. *The Board of Directors shall be governed by the legal regulations applicable and by these Articles of Association. The Board of Directors shall implement and complement such provisions under the pertinent Board of Directors Regulations, notification of approval or modification of which must be sent to the General Shareholders' Meeting."*

"Article 33. – Powers of the Board of Directors

1. *The Board of Directors is authorised to adopt resolutions regarding all manner of issues that are not attributed to the General Shareholders' Meeting in accordance with applicable regulations, these Articles of Association or the General Shareholders' Meeting Regulations.*

2. *The Policy of the Board of Directors, which shall be granted the broadest powers and authority to manage, administer and represent the Company within the scope of the corporate purpose set out in these Articles of Association, is to focus its activity, within the legal limits, on the general function of strategic coordination and definition and supervision of the basic management guidelines of the Company and its Group, deciding on matters of strategic relevance at Group level, respecting the respective functional and responsibility areas of each of the entities forming part of the Group and operating in the interest of each and every one of them, entrusting the ordinary management and administration of the Company to its Chairman, to the Chief Executive Officer, if any, and to the senior management of the Company.*

Likewise, the Board of Directors, as the core of its mission, approves the Company's strategy and the organisation required for its implementation, as well as supervises and controls that senior management complies with the objectives set and respects the Company's corporate purpose and interests."

"Article 34. – Composition of the Board of Directors

1. *The Board of Directors shall be composed of no less than five members or, at the most, fifteen.*

2. *The General Shareholders' Meeting shall be responsible for establishing the number of board members. For these purposes, it shall act directly by establishing said number under an express resolution or indirectly, by filling vacancies or appointing new board members within the maximum limit established herein above.*

3. *The Board of Directors, in the course of exercising its power to make proposals to the General Shareholders' Meeting and co-opting in filling vacant positions, must endeavour, to the extent possible, to ensure that, in the composition of the Board, external or non-executive board members hold a majority over the executive members, endeavouring to make the number of independent board members represent one third of all the members of the Board of Directors. Furthermore, the number of executive board members must be the minimum necessary, taking into account the complexity of the corporate group and the interests of executive board members in the Company's capital.*

4. *The General Shareholders' Meeting and the Board of Directors shall endeavour to comply with the principle of a balanced presence of men and women in the composition of the Board of Directors.*



5. *The different classes of board members shall be defined as established in the regulations in force or, in absence of such, according to recommendations for good corporate governance applicable to the Company at any time.*

6. *The Board of Directors must explain the status of each board member to the General Shareholders' Meeting, which must effect or ratify the appointment. If any of the external board members cannot be considered to represent controlling shareholder interests nor are they independent, the Company shall explain such circumstance and their ties to the Company, its directors and/or its shareholders.*

7. *Persons who are not subject to any of the prohibitions or causes of incompatibility established by Law may be directors of the Company."*

"Article 35. – Term of office

1. *Board members shall hold office for a term of three years, at which time they may be re-elected one or more times for equal terms of office.*

2. *The appointment of directors shall expire when, the deadline having expired, the following General Shareholders' Meeting has been held, or the statutory term for the General Shareholders' Meeting at which the approval of the previous year's financial statements must be decided upon has elapsed.*

3. *Board members appointed by co-opting shall hold office until the next General Shareholders' Meeting. However, if the vacancy takes place after the call of the General Shareholders' Meeting and before it is held, the Board of Directors will be able to appoint a board member, which shall hold office until the next General Shareholders' Meeting."*

"Article 38. – Board of Directors Meetings

1. *The Board of Directors shall meet as often as deemed advisable in order to properly perform its duties and, at least, at the intervals and in the cases set forth in the Board of Directors Regulations.*

2. *Meeting announcements, which must always include the meeting agenda and appropriate relevant information, shall be made by the Secretary of the Board of Directors, or the party acting in the former's stead, with authorisation from the Chairman of the Board, by any means ensuring receipt thereof. Announcements shall be sent at least three days in advance.*

3. *Notwithstanding the foregoing, Board of Directors meetings shall be deemed as constituted in a valid manner, with no need for a prior call to the meeting, if all of its members are present or represented and they unanimously agree to hold the meeting and agree upon the issues in the agenda.*

4. *Likewise, if no members object, votes can be issued by the Board of Directors in writing with no meeting being held.*

5. *Board of Directors meetings can be held in several places that are connected to each other by systems enabling the attendees to be recognised and identified, ensuring constant communication between those present, regardless of their respective locations, and real time interventions and issuance of votes.*

The attendees in any of the locations shall be considered, for all intents and purposes related to the Board of Directors meeting, as attending the same, single meeting. The meeting shall be construed as held in the location where most of the board members are located and, in the event of a tie, in the registered address.



6. *The Chairman shall be entitled to invite a representative of the entity that manages the Company's investments at any time (the "Management Company") to participate in Board of Directors' meetings."*

"Article 39. – Conduct of meetings

1. *There will be a valid quorum at Board meetings when majority of its members attend in person or represented by another director. The proxy will be granted in writing, necessarily in favour of another director, especially for each meeting, being notified to the Chairman of the Board by any means which provides proof of receipt. Outside directors may grant proxies only to another outside director.*

2. *Resolutions will be adopted by absolute majority of the directors present at the meeting in person or by proxy, (a resolution shall be deemed adopted when it receives more than half of the votes in favour from the members present or represented at the meeting) except when the law, these Articles of Association or the Board of Directors Regulations contemplate other majorities. In the event of a tie, the Chairman will have a casting vote.*

3. *Minutes will be prepared for meetings of the Board of Directors, which will be approved by the Board of Directors itself at the end of the meeting or at a subsequent meeting, the minutes may be partially approved at the end of the meeting if this proves necessary for any reason. Likewise, the proposed minutes may be sent by the Secretary or the Deputy Secretary for approval by means of remote communication that allow the recognition and identification of the Board Members. The minutes will be signed at least by the Chairman and the Secretary or those acting therefor, qualified electronic signatures or advanced electronic signatures may be used."*

"Article 40. – Remuneration of directors

1. *The directors will be entitled to receive remuneration for performance of their duties in their capacity as such, that is, as members of the Board of Directors as a collegial decision-making body of the Company, and of the committees of which they are members, consisting of an annual fixed amount.*

2. *The maximum amount of annual remuneration that may be paid by the Company to all of its directors in their capacity as such in accordance with the provisions of sections 1 and 5 of this article will not exceed the amount determined for that purpose by the General Meeting of shareholders through the remuneration policy of directors. The amount so fixed by the Meeting will be maintained until modified by a new resolution of the General Meeting of shareholders, in accordance with the provisions of applicable legislation.*

The specific determination of the corresponding amount in the aforesaid categories for each of the directors in their capacity as such correspond to the Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, in accordance with the director remuneration policy. To that end, it will take account of the positions filled by each director within the collegial body and the director's membership on the various committees and attendance at their meetings.

3. *Directors who are entrusted with executive duties by virtue of any title in addition will be entitled to receive the remuneration for performance of those responsibilities contemplated in the contract entered into for that purpose between the director and the Company, in accordance with the provisions of the remuneration policy of directors.*

4. *The Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, fixes the remuneration of each director for performance of their executive*



duties conferred upon it, and, with the required legal majority, approves the contracts of inside directors with the Company, which must be adapted to the remuneration policy approved by the General Meeting and the provisions of law.

5. *In addition to the remuneration scheme contemplated in the foregoing sections, the directors will be entitled to be compensated by way of the delivery of shares, or by delivery of option rights on shares or by remuneration indexed to the value of shares, provided that the application of any such remuneration scheme is previously resolved by the General Meeting of shareholders. That resolution, if applicable, will determine the maximum number of shares that may be assigned in each year to this system of remuneration, the exercise price or the system for calculation of the exercise price of stock options, the value of the shares, if any, taken as a reference and the term of the plan.*

6. *The director remuneration policy will be adjusted as applicable to the remuneration scheme contemplated in these articles, will be of the legally-contemplated scope and will be submitted by the Board of Directors for approval of the General Meeting of shareholders with the frequency established by law.*

7. *In addition, all board members will receive appropriate compensation for their travel expenses arising from attendance at meetings of the Board of Directors and the committees to which they belong.*

8. *The Company shall take out civil liability insurance for its directors."*

"Article 41. – Delegated and Advisory Bodies of the Board of Directors

1. *Without prejudice to the powers of attorney that may be granted to any party, the Board of Directors can set up a permanent Executive Committee composed of at least three and at most seven members, and it may also appoint a Managing Director at the proposal of the Chairman of the Board of Directors; any and all powers that can be delegated in accordance with applicable regulations can be delegated, in full or partially, to such parties temporarily or permanently. The delegation and appointment of members of the Board of Directors to hold such positions shall require a vote in favour by two thirds of the members of the Board of Directors in order to become valid and shall not take effect until entered at the Trade Registry.*

2. *The Board must set up an Audit and Control Committee and an Appointments, Remuneration and Sustainability Committee with disclosure, supervision, advisory and proposal powers in relation to their spheres of authority, as specified herein and implemented in the Board of Directors Regulations and, where appropriate, in their own Regulations.*

3. *Likewise, the Board may set up other committees with consulting or advisory duties."*

"Article 42. – Audit and Control Committee. Composition, authority and functioning

1. *The Board of Directors will establish a permanent Audit and Control Committee which will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors. The members of the Audit and Control Committee as a whole, particularly its Chairman, will be appointed on the basis of their knowledge and experience in accounting, auditing or risk management, both financial and non-financial, matters, and the majority of those members must be independent directors. The Board of Directors also will appoint one of the members of that Committee to act as the Chairman thereof. The position of Secretary of the Audit and Control Committee will be filled by the Secretary of the Board of Directors. The Committee members, shall have, as a whole, the technical knowledge necessary in relation to the Company's business sector.*



The members of the Audit and Control Committee will hold office for a maximum term of three years, and may be re-elected one or more times for periods of the same maximum length.

The position of Chairman also will be exercised for a maximum of three years, at the end of which the Chairman may not be re-elected as such until one year has passed after leaving office, without prejudice to continuing or being elected as a member of the Committee.

2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee will exercise the following basic functions:

a. Reporting to the General Meeting of shareholders regarding questions posed by shareholders that fall within the scope of its authority and, in particular, with regards to the outcome of the auditing, explaining how it has contributed to the integrity of the financial information and the duties performed by the Committee during this process.

b. Supervising the effectiveness of internal control of the Company and its Group, the activity of the Company's internal audit function and its risk management systems, financial and non-financial, as well as, discussing with the statutory auditors, analysing significant weaknesses of the internal control system detected during conduct of the audit, without undermining its independence. To this effect, and where applicable, shall submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.

c. Supervising and evaluating the process of preparation and presentation of the mandatory financial and non-financial information, and present recommendations and proposals to the Board of Directors, directed at safeguarding its independence.

d. Submit to the Board of Directors for submission to the General Meeting of shareholders the proposals for selection, appointment, re-election and replacement of auditors, being responsible for the appointment process, in accordance with applicable legislation, as well as the contracting conditions and receive regular information from them on the audit plan and on its implementation and preserve his independence in the performance of its duties.

e. Establishing appropriate relationships with the statutory auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may pose a risk to their independence and any other matters relating to the audit process and, where appropriate, the authorisation of any of the services different from the prohibited services, in accordance with the applicable law, as well as any other communications provided for in audit legislation and other audit regulations. In any event, on an annual basis the Committee must receive from the statutory auditors written declaration of their independence in relation with the Company or entities directly or indirectly related to it, in addition to individualised and detailed information on additional services of any kind rendered to and the fees received from these entities by the aforementioned external auditor, or persons or entities related to him, as provided in the audit legislation.

f. Issuing annually, prior to the audit report, a report containing an opinion on whether or not the independence of the auditors or auditing companies is compromised. This report must, in all cases, contain the reasoned evaluation of the provision of each of the additional services mentioned in the section above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.

g. Inform about related transactions to be approved by the General Shareholders' Meeting or the Board of Directors.



h. Reporting, prior to the Board of Directors meetings, on all matters contemplated in the law, the Articles of Association and the Board of Directors Regulations, in particular regarding: (i) the financial information and the management report, including, where appropriate, the required non-financial information that the Company is to publish periodically; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories that are considered to be tax havens; and (iii) the economic conditions and their impact on the accounts and, where appropriate, the exchange rate applicable in corporate restructuring transactions performed by the Company.

i. Supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct.

j. Supervising the calculation of the fees received by the Management Company for performance of its duties.

k. Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.

l. Any others given to it by the Board of Directors in its corresponding Regulations.

3. The Audit and Control Committee will meet, ordinarily on a quarterly basis, in order to review the periodic financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It also will meet at the request of any of its members and when called by its Chairman. The Chairman is to call the meeting whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority.

4. The Committee shall be validly convened when the majority of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by an absolute majority vote. In the event of a tie, the Chairman will have a casting vote.

5. The Board of Directors may develop the foregoing set of rules in its corresponding Regulations."

"Article 43. – Appointments, Remuneration and Sustainability Committee

1. The Board of Directors will constitute a permanent Appointments, Remuneration Sustainability Committee, an internal body of an informational and advisory nature, with no executive functions, with rights of information, advice and proposal within the scope of its authority as indicated in section 2 of this article. The Appointments, Remuneration and Sustainability Committee will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors, on proposal of the Chairman of the Board. The majority of the members of the Appointments and Remuneration Committee will be independent directors. The Board of Directors also will appoint one of the members of that Committee to act as the Chairman thereof. The position of Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors.

The members of the Appointments, Remuneration and Sustainability Committee will have knowledge, ability and experience appropriate to the functions they are called upon to perform.

The directors that are a part of the Appointments, Remuneration and Sustainability Committee will remain in that office for so long as their appointments as directors of the Company remain in effect,



unless the Board of Directors resolves otherwise. Renewal, re-election and removal of the directors comprising the Committee will be governed by resolutions of the Board of Directors.

2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Appointments, Remuneration and Sustainability Committee will exercise the following basic functions:

a. Evaluating the skills, knowledge and experience required on the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.

b. Establishing a goal for representation of women on the Board of Directors, and developing guidance on how to achieve that goal.

c. Making proposals to the Board of Directors of independent directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for re-election or removal of those directors by the general shareholders meeting.

d. Reporting on proposals for the appointment of the other directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for their re-election or removal by the General Meeting of shareholders.

e. Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.

f. Examining and organising the succession of the chairman of the Board of Directors and the chief executive of the Company and, if appropriate, making proposals to the Board of Directors so that that succession will occur in an orderly and planned manner.

g. Proposing to the Board of Directors the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the Board, Executive Committee or Managing Director, as well as the individual remuneration and other contractual conditions of inside directors, ensuring compliance therewith.

h. Evaluating and reviewing periodically the environmental and social sustainability policy and monitor the Company's environmental and social practices.

3. The Committee shall be validly convened when the majority of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by an absolute majority vote. In the event of a tie, the Chairman will have a casting vote.

4. The functioning of the Appointments, Remuneration and Sustainability Committee will be governed by the rules determined by the Board of Directors in its corresponding Regulations."

8.5 Amendments regarding the annual accounts and the distributions of profit

"Article 44. – Financial year and preparation of the financial statements

1. The financial year shall begin on 1 January each year and end on 31 December.

2. The financial statement and management report shall be prepared in accordance with the structure, principles and indications contained in the provisions in force.

3. Within the first three months of the year, the Board of Directors shall prepare the financial statements, management report, including where appropriate the non-financial information statement and proposal for application of profit and, where appropriate, the consolidated financial

statement and management report. The financial statement and management report, including where appropriate the non-financial information statement must be signed by all the board members. If the signature of any such parties is missing, this shall be noted in each of the documents lacking the signature, expressly indicating the reason for such absence."

"Article 46. – Approval of financial statements and application of profits

- 1. The Company's financial statements and consolidated financial statements shall be submitted to the General Shareholders' Meeting for approval.*
- 2. The General Shareholders' Meeting shall decide upon the application of profit for the year in accordance with the approved statement of financial position.*
- 3. After fulfilling the obligations set forth herein or by law, dividends on account of period profit, or charged to available reserves, can only be shared out if the value of the net equity is not, or would not be, as a result of profit-sharing, lower than the share capital.*
- 4. If the General Shareholders' Meeting agrees to pay dividends, it shall determine the time and method of payment, subject to the terms set forth herein. The establishment of these terms and any others that may be necessary or advisable to render the resolution enforceable may be delegated to the Board of Directors.*
- 5. The General Shareholders' Meeting or the Board of Directors can resolve to share out dividends on account, with the restrictions, and meeting the requirements, established under applicable regulations.*
- 6. The General Shareholders' Meeting or, as the case may be, the Board of Directors in the case of interim dividends amounts, can rule that the dividend be paid fully or partially in kind, provided that the assets or securities to be distributed are homogeneous, trading thereof is allowed on an official market at the time the resolution enters into force or the liquidity thereof within one year is duly secured by the Company and they are not distributed at a value that is inferior to that stated in the Company's statement of financial position.*
- 7. Dividends shall be paid out to shareholders in proportion to the share capital they have paid out."*

8.6 Amendments regarding the liquidation of the Company

"Article 50. – Liquidation

- 1. Once the Company has been dissolved, the liquidation period shall commence, except in the cases of merger or a complete spin-off or any other transfer of all the assets and liabilities as a whole.*
- 2. At the same General Shareholders' Meeting at which the decision to dissolve the Company was adopted, the grounds for liquidation shall be established, and such process shall be implemented by the number of liquidators appointed for such purpose by the General Shareholders' Meeting.*
- 3. From the time that the Company declares liquidation, the Board of Directors' power to represent the Company in entering into new contracts or creating new obligations shall expire, and the liquidators shall take on all the duties attributed to them under applicable regulations.*
- 4. In relation to the course of the liquidation, division of the company's assets and cancellation at the relevant Registry, the terms of applicable regulations shall apply.*
- 5. The General Shareholders' Meeting shall maintain the same powers it held during the Company's ordinary course of business throughout the liquidation period and it shall be specially*



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

authorised to approve the liquidation financial statement and final liquidation statement of financial position."

8.7 Approval, as a result of the previous amendments, of a consolidated text of the Company's Articles of Association

As a consequence of the amendments that have been approved under the previous resolutions, it is hereby resolved to approve a consolidated text of the Company's Articles of Association.

ITEM NINE ON THE AGENDA

Approval, if appropriate, of the amendments to the General Shareholders Meeting Regulations

RESOLUTION

Following the mandatory report from the Board of Directors, approve the amendments to the following articles of the General Shareholders Meeting Regulations: article 2 (Interpretation, modification and disclosure), article 3 (The General Shareholders' Meeting), article 4 (Types of General Shareholders' Meetings), article 5 (Authority of the General Shareholders' Meeting), article 6 (Call for the General Shareholders' Meeting), article 7 (Notice of call), article 8 (Publication of information after the date of the notice on the website of the Company), article 9 (Right to information prior to the holding of the General Shareholders' Meeting), article 11 (Right to attend), article 12 (Attendance by third parties to the General Shareholders' Meeting), article 13 (Attendance by proxy), article 14 (Public call for proxy representation), article 16 (Organisation, technical resources and venue of the General Shareholders' Meeting), article 17 (Formation of the General Shareholders' Meeting. Special cases), article 18 (Officers of the General Shareholders' Meeting), article 20 (Registration of shareholders), article 21 (Attendance list), article 22 (Requests to address the meeting), article 24 (Right to receive information during the General Shareholders' Meeting), article 26 (Casting of votes by remote means of communication prior to the General Shareholders' Meeting), inclusion of article 26 bis (Attendance at the General Meeting by telematic means), article 27 (Voting on proposed resolutions), article 28 (Conflict of interests), article 30 (Minutes of the General Shareholders' Meeting) and article 31 (Publicity of resolutions).

The main purpose of these amendments is to incorporate certain improvements on corporate governance matters that derive from the latest update to the Good Governance Code of Listed Companies, approved on June 26, 2020, and that must be reflected in the General Shareholders Meeting Regulations, as well as the purpose of incorporating certain technical improvements.

The referred articles of the General Shareholders Meeting Regulations will be submitted to vote in the following groups of articles:

9.1 Amendments regarding the interpretation, amendment and publication of the General Shareholders Meeting's Regulations

"Article 2.- Interpretation, modification and disclosure

1. *These Rules supplement the statutory and regulatory regimes applicable to the General Shareholders' Meeting under current regulations and the Company's Articles of Association. The Rules shall be construed in accordance with the applicable statutory and bylaw provisions and the principles and recommendations on the corporate governance of listed companies established by supervisory bodies or other bodies of recognised prestige assumed by the Company.*

2. *Any doubts that may arise in relation to its interpretation and application shall be resolved by the Board of Directors, and any doubts that may arise during the General Shareholders' Meeting shall be resolved by its Chairman.*

3. *The Board of Directors may submit any proposal to amend these Rules to the General Shareholders' Meeting whenever deemed necessary or convenient. The directors shall include with the proposal a report explaining such amendment(s).*



4. *The Board of Directors of the Company shall approve appropriate measures so that these Rules become widely available to shareholders and investors generally. Specifically, a copy of the current version of these Rules shall be provided to the Spanish Securities and Exchange Commission (CNMV), accompanied by a copy of the document in which it is recorded and the text of these Rules shall be registered with the Spanish Commercial Register and posted on the Company's corporate website at www.larespana.com as well as on the website of the CNMV as directed by current regulations and these Rules."*

9.2 Amendments regarding the kinds and the powers of the General Shareholders Meeting

"Article 3.- The General Shareholders' Meeting

1. *The General Shareholders' Meeting is the highest decision-making and supervisory body of the Company regarding any matters reserved to it and serves as a vehicle to channel the right of shareholders to participate in the decision-making process regarding fundamental decisions of the Company.*

2. *The General Shareholders' Meeting, duly called and formed, represents all shareholders in the Company. All shareholders -including non-attending and dissenting shareholders- are subject to and bound by the resolutions passed by the General Shareholders' Meeting regarding any matters reserved to it, without prejudice to their rights to challenge any such resolutions under applicable laws.*

3. *The Company shall ensure, at all times, equal treatment for all shareholders who are in identical condition with regard to information, participation and exercise of the right to vote at the General Shareholders' Meeting.*

In particular, it should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote."

"Article 4.- Types of General Shareholders' Meetings

1. *General shareholders' meetings may be held as ordinary or extraordinary meetings.*

2. *An ordinary General Shareholders' Meeting shall necessarily be held within the first six months of each year to, where appropriate, approve the management of the company, approve the financial statements for the preceding financial year and resolve on the distribution of earnings, without prejudice to all other legally enforceable matters and to its authority to deliberate and decide on any other matter listed in the agenda. The General Shareholder's Meeting shall be valid even if it is called or held after such deadline.*

3. *Any General Shareholders' Meeting other than the above meeting shall be an extraordinary General Shareholders' Meeting."*

"Article 5.- Authority of the General Shareholders' Meeting

The General Shareholders' Meeting may decide on all matters reserved to it by Law, the Articles of Association or these Regulations. Specifically, the General Shareholders' Meeting may:

a. *Approve the individual and consolidated financial statements and decide on the allocation of the result and approve the social management.*

b. *Approve, where appropriate, the non-financial information statement.*

- c. Appoint and remove the directors, liquidators and auditors, as well as bring corporate action for liability against any of them, and ratify directors appointed by co-option.*
- d. Approve any increase or reduction of the share capital, as well as the delegation to the Board of Directors of the authority to increase the share capital and lay down its terms and conditions in all matters not provided by the General Shareholders' Meeting.*
- e. Approve the suppression or limitation of pre-emptive subscription rights, without prejudice to the possible delegation to the Board of Directors under the terms provided by law.*
- f. Resolve on the issuance of debt instruments and other negotiable securities, as well as the delegation to the Board of Directors of the authority to issue such instruments and to remove or otherwise restrict any preferential subscription rights otherwise held by shareholders upon such issues.*
- g. Approve any conversion, merger, spin-off, global assignment of the assets and liabilities of the Company and the change of the registered address to a foreign location.*
- h. Approve any amendment to the Articles of Association of the Company, under regulations applicable from time to time.*
- i. Approve the dissolution and liquidation of the Company, the final liquidation balance sheet and approve any other operations whose effect may be equivalent to a liquidation of the Company.*
- j. Approve the transfer to dependent entities of essential functions so far carried out by the Company itself, even in circumstances where the Company retains full ownership thereof.*
- k. Approve the acquisition, disposal or contribution of core assets to other company.*
- l. Approve the remuneration policy for directors under applicable laws.*
- m. Approve the establishment of remuneration systems for the Company's Directors consisting of the delivery of shares rights over them or which are indexed to the value of the shares.*
- n. Approve related-party transactions whose approval corresponds to the General Shareholders' Meeting under the terms provided by Law and the Company's corporate governance rules.*
- o. Exempt any directors from the prohibitions on conflict of interest when the Law necessarily attributes this power to the General Shareholders' Meeting.*
- p. Authorise the acquisition of the Company's own shares from other shareholders.*
- q. Approve these Rules and any amendments thereof.*
- r. Decide on any matters submitted to it for deliberation and approval by the Company's Board of Directors."*

9.3 Amendments regarding the call and the preparation of the General Shareholders Meeting

"Article 6.- Call for the General Shareholders' Meeting

- 1. Without prejudice to the regulations governing the power of courts to call the General Meeting, General Shareholders' Meetings shall be called by the Board of Directors of the Company.*
- 2. The Board of Directors shall call the ordinary General Shareholders' Meeting within the legally term established, and may call an extraordinary General Shareholders' Meeting whenever it deems it convenient for the interest of the Company.*



3. *The Board of Directors must also call the General Shareholders' Meeting when requested by shareholders holding at least 3% of the share capital. The request shall include a list of the issues to be discussed at the General Shareholders' Meeting. In this case, the General Shareholders' Meeting shall be called to be held within two months of the date on which the Board was notari ally requested to convene it. The Board of Directors must include in the agenda the issue or issues listed by the requesting shareholders.*

4. *If the ordinary General Meeting is not called within the statutory period set out in this article, the Meeting may be called, upon a request of any shareholder, after a hearing the members of the Board of Directors, by the Registrar of the Court or the Commercial Registry of the registered address of the Company, who shall also designate the Chairman and Secretary of such General Meeting. The same rule shall apply for an extraordinary General Meeting, following a request by the number of shareholders referred to in the previous section."*

"Article 7.- Notice of call

1. *Ordinary and extraordinary general meetings shall be called by notice published in the Official Gazette of the Spanish Commercial Registry or one of the most widely distributed newspapers in Spain, on the Company's website, www.larespana.com and on the website of the Spanish Securities Market Commission (CNMV) at least one month before the date of the meeting (without prejudice to the provisions in paragraph 2 below and those meetings for which a longer period of notice is required by Law).*

2. *If the Company offers shareholders the possibility to vote by electronic means available to all shareholders, then extraordinary meetings may be called at least fifteen days in advance.*

Any reduction of the notice period shall require a specific resolution passed at the ordinary General Meeting by shareholders holding at least two-thirds of the subscribed capital with voting rights. A decision to reduce the notice period shall only be valid until the date of the next meeting.

3. *The notice shall disclose:*

a. *The name of the Company; the date, place and time of the meeting; the agenda including all items to be discussed; the date when, where appropriate, the General Shareholders' Meeting shall be held on second call, at least twenty-four hours must elapse between one and the other, and any other information required by applicable regulations from time to time. As far as possible, shareholders shall be advised that the meeting is expected to be held on first or second call.*

b. *The date on which the shareholder must have the shares registered in his name in order to be able to participate and vote at the General Meeting.*

c. *Where and how the full text of the documents and proposed resolutions may be obtained, and the address of the Company's website where the information will be available.*

d. *A clear and exact description of the procedures and deadlines that shareholders must comply with in order to request the publication of a supplement to the notice of an Ordinary General Shareholders' Meeting, submit reasoned proposals for resolutions, exercise their rights to information and representation, cast their vote and delegate their representation by remote means of communication, in the terms provided by Law and, where appropriate, exercise their right to attend the General Shareholders' Meeting by telematic means.*

4. *Likewise, the announcement of the call to meeting shall also indicate the right to examine at the registered office and/or to obtain, immediately and free of charge, the documents to be submitted for approval by the shareholders at the General Shareholders' Meeting, in the cases provided by Law.*



5. *Shareholders representing at least 3% of the share capital may request the publication of a supplement to the notice of call of the ordinary General Meeting, including in their request one or more items to be added to the agenda, provided that their request includes a rationale for the new items or, if applicable, a reasoned proposal for a resolution. Shareholders intending to exercise this right must do so by due notice (notificación fehaciente) to the Company, and such notice must be received at the registered address within five days after the publication of the notice of call. This supplement to the notice of call shall be published, at least, fifteen days before the date scheduled for the General Shareholders' Meeting.*

6. *Shareholders holding at least 3% of the share capital may also, within the same period set out in the preceding paragraph, submit reasoned proposals for resolutions regarding items already included or that should be included on the agenda for a General Shareholders' Meeting that has already been called. Such proposals substantiated shall be published on the Company's website www.larespana.com, in accordance with any statutory provisions applicable to the Company.*

7. *If a duly called General Shareholders' Meeting is not held on first call, and no date for a second call was stated in the notice, the notice of call for the adjourned meeting including in such notice the same agenda- must be published, subject to the same publicity requirements as the first notice, within fifteen days after the date of the initial meeting, at least ten days before the date of the adjourned meeting."*

"Article 8.- Publication of information after the date of the notice on the website of the Company

1. *In addition to any statutory or other requirements imposed by the Company's Articles of Association and these Rules, the Company shall, following the notice of call of the General Shareholders' Meeting, publish uninterruptedly on its website the following information:*

a. *The announcement of the call.*

b. *The total number of shares and voting right at the date of the call.*

c. *The documents to be submitted to the General Meeting, in particular, the reports of directors, auditors and independent experts.*

d. *The full text of the proposed resolutions drafted by the Board of Directors regarding each and every item on the agenda or, for items of a purely informative nature, a report from the competent bodies commenting on each of these items. As they are received, any proposed resolutions based on matters listed or to be listed in the agenda of the meeting as submitted by the shareholders under applicable laws, will be included as well as the supplement to the notice of call for the General Shareholders' Meeting, if applicable.*

e. *In the case of appointment, ratification or re-election of members of the Board of Directors, the identity, curriculum vitae and category to which each of them belongs, as well as the proposal of the Board of Directors or of the Appointments, Remuneration and Sustainability Committee, as the case may be, and the legally required reports. In the case of a legal person, the information must include that corresponding to the natural person to be appointed for the permanent exercise of the functions inherent to the post.*

f. *The forms to be used for voting by proxy and remote voting, except when they are sent directly by the Company to each shareholder. If they cannot be published on the website for technical reasons, the Company shall indicate on the website how to obtain the forms on paper, which shall be sent to any shareholder requesting them.*



2. *After the date of the notice of call, the Company shall also publish on the Company's website all information deemed useful or convenient to facilitate the attendance and participation of the shareholders in the General Shareholders' Meeting, including without limitation:*
 - a. *The procedure, where appropriate, to obtain the relevant attendance, proxy and remote voting card.*
 - b. *The instructions to exercise or delegate the vote through any remote voting procedures that have been provided for in the notice of call.*
 - c. *Where applicable, the rules for attendance by telematic means.*
 - d. *Information on the place where the General Shareholders' Meeting is to be held and instructions on how to get there and access such place.*
 - e. *Information, where appropriate, on any systems or procedures intended to facilitate attendance at the General Shareholders' Meeting.*
 - f. *Information on the procedure designed to allow shareholders to exercise their right to information.*
 - g. *If the General Shareholders' Meeting is to deliberate on the appointment, confirmation or re-election of any directors, in addition to any other statutory or other information required by the Articles of Association- the following information (duly updated) will be published:*
 - i. *Identity and the professional and biographical.*
 - ii. *Other relevant boards of directors of which such director or directors are a member, whether or not the relevant company is a listed company.*
 - iii. *Details of the type of director and a reference, in the event of proprietary directors, to the shareholder represented by or otherwise related to such director.*
 - iv. *Date when the director was first appointed as a director of the Company, and dates of subsequent appointments.*
 - v. *Shares and share options in the Company held by such director.*
 - g. *A report of the Audit and Control Committee on the independence of the statutory auditor.*
 - h. *Reports on the operation of the Audit and Control and Appointments and Remuneration Committees.*
 - i. *A report from the Audit and Control Committee on Related-party Transactions."*

"Article 9.- Right to information prior to the holding of the General Shareholders' Meeting

1. *From the date of publication of the notice of call for the General Shareholders' Meeting to the fifth day (inclusive) before the date scheduled for such meeting, shareholders may request from the Board of Directors any information or clarifications they deem appropriate regarding the items on the agenda or ask the relevant questions in writing.*

Furthermore, within the same period and in the same manner, shareholders may request in writing any clarifications they deem necessary regarding any information accessible to the public that the Company may have provided to the CNMV since the date of the last General Shareholders' Meeting and regarding the auditor's report.



2. *Any information may be requested by serving a notice of request at the registered office or by letter to the Company or otherwise through other remote means of communication specified in the relevant notice of call, under a resolution adopted for this purpose by the Board of Directors and which incorporates mechanisms that offer adequate guarantees of authenticity and identification of the shareholder exercising his right to information.*

3. *Whatever the means used to submit his request for information, the shareholder shall include in the request his name and surname and detail the number of shares held by it, so that such information may be compared with the list of shareholders and the number of shares reported by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) or other entity, for the relevant General Shareholders' Meeting. The shareholder shall have the burden of proof that the request was duly and timely sent to the Company.*

4. *The directors shall provide any information requested in writing, once the identity and status of the applicant as a shareholder has been verified up to the date of the General Shareholders' Meeting, except if:*

a. *the information is not necessary for the protection of the rights of the shareholder, or whenever there are objective reasons to believe that the information is intended for purposes unrelated to the Company or that disclosure thereof shall harm the Company or any related companies.*

Notwithstanding the exceptions of this section, the directors may not refuse to provide the relevant information if the request is submitted by shareholders representing at least 25% of the share capital of the Company.

b. *the request for information or clarification does not refer to any items of the agenda or any information publicly available and provided by the Company to the CNMV after the date of the last General Shareholders' Meeting nor to the auditor's report; or*

e. *disclosure of the information is prevented under any statutory or regulatory provisions or decisions or for reasons of confidentiality.*

5. *When, prior to the formulation of a specific question, the requested information is clearly, expressly and readily available to all shareholders on the Company's corporate website under a "Q&A" format, the directors may answer the request simply by referring to the information available in such format.*

6. *The Board of Directors may authorise any director, the Chairpersons of any committees of the Board of Directors or the Company Secretary or Deputy Secretary to answer, in the name and on behalf of the Board, any requests for information submitted by shareholders.*

7. *The response to the information requested shall be provided through the same means used to request it, unless the requesting shareholder indicates another means among those deemed suitable under the provisions above. In any case, the response to the information requested may be provided through certified mail with an acknowledgement of receipt or certified fax.*

8. *The Company's corporate website shall list all valid requests for information, clarifications or questions submitted as well as any answers provided in writing by the directors, in accordance with applicable regulations."*



9.4 Amendments regarding the right to attend and to proxy vote and the constitution of the General Shareholders Meeting

"Article 11.- Right to attend

1. Shareholders have a right to attend the General Shareholders' Meeting regardless of the number of shares they may hold, provided always that such shares are duly registered in their name with the relevant book-entry registry at least five days before the date scheduled for the meeting.

2. Additionally, shareholders attending physically on the date scheduled for the General Shareholders' Meeting shall exhibit their attendance, proxy and remote voting card under these Rules, the certificate issued by the entity in charge of the book-entry registry or other documentary proof evidencing his status as a shareholder.

Attendance, proxy and remote voting cards shall be registered and issued, upon a request by the Company, either directly by the Company or through any entities in charge of the book-entry records, and may be used by shareholders to authorise a proxy to act on their behalf at the relevant General Shareholders' Meeting.

To that effect, the Company may propose to such entities the specifications of the attendance, proxy and remote voting card to be issued to shareholders -thereby ensuring that all cards issued by such entities are similar and include a barcode or other machine-readable system to facilitate computerised tallying of attendants- as well as the wording of such document to be used as a proxy.

Shareholders attending the General Shareholders' Meeting telematically must prove their identity and status as shareholders in the manner determined by the Board of Directors in the notice of meeting.

3. Additionally, any shareholder willing to submit his vote remotely shall be required to establish his identity and status as a shareholder in accordance with any procedure specified by the Board of Directors in the notice of call."

"Article 12.- Attendance by third parties to the General Shareholders' Meeting

1. The members of the Board of Directors of the Company must attend all General Shareholders' Meetings, but a failure by any such member to attend shall not invalidate the meeting.

2. The Chairperson of the Audit and Control Committee shall report at the ordinary General Shareholders' Meeting about the main actions carried out by such committee.

3. The Chairperson of the General Shareholders' Meeting may authorise any officers, managers and technical staff of the Company to attend such meeting, as well as any other individuals which, in his opinion, may be interested in the sound running of the corporate affairs.

4. To ensure widespread knowledge of the proceedings and the resolutions passed by the General Shareholders' Meeting, the Chairperson may grant access to the meeting to any media and financial analysts.

5. Any individual invited by the Chairperson of the General Shareholders' Meeting may also attend the meeting.

6. Notwithstanding the provisions of section 4 and 5, the General Shareholders' Meeting may cancel any such invitations to third parties issued by the Chairperson of the meeting."



"Article 13.- Attendance by proxy

1. *Without prejudice to the attendance of corporate shareholders through their representatives, each shareholder entitled to attend may be represented at the General Shareholders' Meeting by a proxy, whether or not the proxy is a shareholder of the Company.*
2. *Proxy appointments may always be revoked. Physical attendance of the shareholder to the General Shareholders' Meeting, either physically or telematically, shall be considered as a revocation of the proxy. As a general rule, the latest action carried out by the shareholder before the General Shareholders' Meeting is held shall be valid, in the sense that the latest delegation revokes all previous one. Also the vote by such shareholder broadcast by remote means shall prevail over the proxy, regardless of the date of this.*
3. *A proxy must be granted specifically for each General Shareholders' Meeting, either in writing or by any of the following remote means of communication:*
 - a. *By postal correspondence, sending to the Company the attendance, proxy and distance voting card issued, where appropriate, by the Company or issued by the entity or entities responsible for keeping the book-entry register, duly signed and completed, or other written means which, in the opinion of the Board of Directors in a prior resolution adopted for this purpose, duly guarantees the identity of the shareholder delegating his vote and of the proxy he appoints.*
 - b. *By electronic correspondence or other means of remote communication that the Board of Directors may determine, as the case may be, on occasion of the call to each General Shareholders' Meeting, provided that they meet the appropriate guarantees of identification of the shareholder delegating his vote and of the proxy he appoints and, as the case may be, the security of the electronic communications.*
4. *In order to be considered valid, a proxy appointment made by any remote means of communication must be received by the Company at the latest by midnight of the day immediately before the meeting is scheduled to be held on first call. The Board of Directors may resolve on a shorter term for the receipt of proxies granted by means of remote means of communication under the provisions of the Articles of Association of the Company.*
5. *The documentation including a proxy appointment for the General Shareholders' Meeting must include at least the following information:*
 - a. *The date of the General Shareholders' Meeting and the agenda.*
 - b. *The identity of the shareholder granting the proxy and of the proxy representative.*
 - c. *The number of shares held by the shareholder granting the proxy.*
 - d. *Voting instructions, i.e., instructions granted by the shareholder on the direction of the vote to be cast by the proxy representative in respect of each item on the agenda.*
6. *The provisions of section 3 to 5 shall not apply when the proxy representative is the spouse or an ascendant or descendant of the shareholder granting the proxy documentation or otherwise holds a general power of attorney granted in a notarial instrument conferring on him/her authority to dispose of all of such shareholder's property in Spain.*
7. *The Chairperson of the General Shareholders' Meeting or the individuals appointed by him/her shall have the authority to decide on the validity of the proxies granted and to assess compliance with the attendance requirements for such meeting.*



8. *If the proxy is validly granted under applicable rules in force from time to time, including these Rules, but fails to include any voting instructions, or if there are any doubts about the identity of the proxyholder or the scope of his authority, the proxy documentation shall be deemed (i) to have been granted in favour of the Chairperson of the General Shareholders' Meeting, (ii) to refer to all items in the agenda of the relevant meeting, (iii) to authorise the proxy to vote in favour for all proposals submitted by the Board of Directors, and (iv) to cover all items outside the agenda that may be discussed, regarding which the proxy shall vote in the most favourable way to the interest of the appointing shareholder, in the interest of the Company context, the same rule shall apply when the relevant proposal submitted for decision by the General Shareholders' Meeting has not been formulated by the Board of Directors.*

9. *Unless otherwise expressly noted, including precise instructions by the appointing shareholder to the contrary, if the proxy is involved in any conflict of interest, such shareholder shall be taken to have also appointed, as joint and several proxies, the Chairperson of the General Shareholders' Meeting and, if conflicted, the Secretary to the General Shareholders' Meeting and, if conflicted, the Deputy Secretary (if any) to the Board of Directors."*

"Article 14.- Public call for proxy representation

1. *Whenever the directors of the Company, or another person on behalf of in the interest of any of them, any depositary holding the relevant shares or any entity in charge of keeping such shares registered in book-entry form request to be named as proxies (or request that a third party be named as a proxy) for such shares and, generally, whenever such a request is publicly made, any relevant provisions in the Law. Specifically, the proxy documentation shall include, in addition to the particulars referred to in Article 13 above, default instructions on how the proxy shall vote the relevant shares if no specific instructions were given, subject to the provisions in applicable regulations.*

2. *A public call for proxy representation shall be deemed to have been made whenever the same person represents more than three shareholders."*

"Article 16.- Organisation, technical resources and venue of the General Shareholders' Meeting

1. *The Board of Directors may decide, in view of the circumstances, to use any technical systems or resources to improve the structure and proceedings of the General Shareholders' Meeting or promote widespread dissemination of such proceedings, providing, in particular, for live webcasting of the General Meeting on its website.*

2. *Specifically, the Board of Directors may:*

a. *arrange for simultaneous interpretation services;*

b. *set up any appropriate access control, surveillance, protection and security measures; and*

c. *take any measures to facilitate the access by disabled shareholders to the facilities where the General Shareholders' Meeting is to be held.*

3. *Attendees may not use any photography, video or recording devices, including mobile phones or similar equipment, in any room where the General Shareholders' Meeting is being held, except as otherwise authorised by the Chairperson of the meeting. Control mechanisms may be set up at the entrance to the relevant facilities to enforce compliance with this rule.*

4. *As directed by the Articles of Association of the Company, the General Shareholders' Meeting shall be held in the place specified in the notice of call within the municipality where the Company's*



registered address is located. Failing such specification in the notice of call, the General Shareholders' Meeting shall be deemed to have been convened to be held at the Company's registered address."

"Article 17.- Formation of the General Shareholders' Meeting. Special cases

1. The General Shareholders' Meeting shall be validly in session, on first call, whenever shareholders attending or represented thereat hold at least 25% of the subscribed capital with voting rights. On second call, the meeting shall be validly in session whatever the subscribed capital present or represented thereat.

2. Shareholders holding at least 50% of the subscribed capital with voting rights must be present or represented on first call for the General Shareholders' Meeting to validly adopt decisions regarding: the issue of bonds or debentures; the cancellation or restriction of any pre-emptive rights to subscribe for new shares; the conversion, merger, spin-off or global assignment of assets and liabilities; the transfer of the registered seat abroad, the increase or reduction of the share capital and generally any amendment to the Articles of Association. On second call, 25% of the share capital present or represented shall be a quorum.

3. Absences occurring once the General Shareholders' Meeting has been validly formed shall not render the meeting invalid.

4. If to validly adopt a resolution regarding one or more of the items on the agenda, under any applicable regulations or the Articles of Association of the Company, the attendance of shareholders holding a specific percentage of the share capital is required and no such percentage is reached on first call, the General Shareholders' Meeting shall be held on second call. If the relevant quorum to pass such resolution is not reached on second call, the General Shareholders' Meeting held on second call shall only be allowed to proceed on those items on the agenda which do not require the attendance of shareholders holding such a percentage to validly adopt resolutions.

5. The above provisions shall be without prejudice to any reinforced quorum requirements majorities prescribed by applicable laws or the Articles of Association from time to time."

"Article 18.- Officers of the General Shareholders' Meeting

1. The Officers of the General Shareholders' Meeting are the Chairperson and the Secretary to the meeting, as well as the members of the Board of Directors of the Company.

2. The General Shareholders' Meeting shall be chaired by the Chairperson of the Board of Directors or, in the event of vacancy, absence or illness, by the Deputy Chairperson; if there are several Deputy Chairpersons of the Board, the meeting shall be chaired by the relevant Deputy Chairperson according to the order established by the Board of Directors at the time he/she was appointed as Deputy Chairperson. Failing the Chairperson and all Deputy Chairpersons of the Board of Directors, the General Shareholders' Meeting shall be chaired by that member of the Board of Directors appointed by the General Shareholders' Meeting.

3. The Chairperson shall be assisted by a Secretary. The Secretary to the General Shareholders' Meeting shall be the Secretary to the Board of Directors or (in the event of vacancy, absence or illness) the Deputy Secretary. Otherwise, the Secretary to the General Shareholders' Meeting shall be appointed by the Officers of the General Shareholder's Meeting.

4. The Chairperson, even when present at the meeting, may appoint the Secretary or any member of the Board of Directors, as the Chairperson may see fit, to order and conduct the discussions at the meeting. The Chairperson may also enlist the assistance of any expert as the Chairperson may see fit."



"Article 20.- Registration of shareholders

1. *In the place and on the date scheduled for the General Shareholders' Meeting on first or second call, and starting one hour before the time scheduled for the commencement of the meeting (unless otherwise specified in the notice of call), shareholders or their proxies may file their attendance, proxy and remote voting cards as well as, where appropriate, any proxy documentation with any staff in charge of registering shareholders. No attendance, proxy and remote voting cards and proxy documentation filed after the time scheduled for the commencement of the General Shareholders' Meeting shall be accepted.*

2. *Shareholders (attending in person or by proxy) shall be registered by any officers appointed by the Secretary to the General Shareholders' Meeting, using where appropriate any technical resources deemed convenient."*

"Article 21.- Attendance list

1. *If upon completion of the registration process for attendance, proxy and remote voting cards, the meeting is found to be validly quorate, an attendance list shall be prepared.*

2. *Shareholders or their proxies, as appropriate, arriving late at the place where the General Shareholders' Meeting is being held, once registration of attendance, proxy and remote voting cards has closed, shall be issued with an invitation card so that they may, if they so wish, follow the meeting (either in the same room where such meeting is being held or, if deemed appropriate by the Company to avoid any disruption during the meeting, in an adjoining room), but neither such shareholders nor such proxyholders shall be included on the attendance list.*

3. *The General Shareholders' Meeting shall commence at the scheduled place, date and time, on first or second call once the Board of the meeting has been formed and the attendance list has been prepared.*

4. *First, the Secretary shall relate to essential data of the call and may read out the notice of convocation if deemed appropriate by the President. Then the Secretary will publicly read the total figures resulting from the attendance list, stating the number of shareholders with a right to vote present (including those who, where appropriate, have cast their vote by remote means of communication) and represented at the meeting; the number of shares held by each of these groups; and the percentage of the share capital that they represent, specifying, where appropriate, the percentage held by shareholders entitled to vote. The Chairperson shall then declare the General Shareholders' Meeting validly in session, on first or second call, as appropriate.*

5. *At the start of the General Shareholders' Meeting, the Secretary's statement on the list of attendees may be made provisionally for the purpose of accrediting the sufficiency of the quorum for the valid constitution of the Meeting (for these purposes, the process of registering attendees may be closed minutes before the time established for the start of the General Shareholders' Meeting). In any event, the definitive closure of the list (for which purpose the registration of attendees will be accepted up to the time established for the start of the General Meeting) and the consequent determination of the definitive quorum must be made before putting the proposed resolutions corresponding to the different items on the agenda of the General Meeting to the vote.*

6. *Thereafter, and without prejudice to their right to make any statements they consider appropriate when offered the floor, shareholders may call on the notary public who was asked to attend or otherwise on the Secretary to record in the minutes of the meeting their reservations or objections regarding the formation of the meeting or the figures in the attendance list that were*



previously read out. No such request shall unduly delay, disrupt or postpone the ordinary course of the meeting.

7. If the attendance list is included at the beginning of the minutes of the General Shareholders' Meeting, it shall be attached as a schedule to such minutes signed by the Secretary and the Chairperson of the meeting. The attendance list may also be prepared as an electronic file or saved into any computer media. In these cases, the type of media used shall be recorded in the minutes and the sealed cover of such file or media shall include a statement signed by the Secretary and the Chairperson of the General Shareholders' Meeting for identification."

9.5 Amendments regarding interventions and resolutions' approvals in the General Shareholders Meeting

"Article 22.- Requests to address the meeting

1. Once the General Shareholders' Meeting has been duly formed and to allocate speaking times, the Chairperson shall request that shareholders who wish to exercise their right to address the meeting or, where appropriate, request information or clarifications concerning items on the agenda, of the information accessible to the public that the Company has provided to the Comisión Nacional del Mercado de Valores since the last General Meeting and of the auditor's report or make any proposals, in legally permitted cases, to identify themselves to the notary public or otherwise to the Secretary or to their nominees, stating their full name and the number of shares they hold or represent.

2. If the shareholder or his proxy wishes his statement or proposal to be recorded verbatim in the minutes of the meeting, he must submit such statement or proposal in writing at that time to the notary public or otherwise to the Secretary, so that the notary public or the Secretary may collate such written statement or proposal with the address delivered by the shareholder or his proxy.

3. The floor shall be opened for shareholders once the Officers of the meeting have compiled the list of shareholders who wish to address the meeting, following any introductory speech by or submission of any reports that, where appropriate, the Chairperson, the Managing Director (if any), the Chairpersons of the different Committees of the Board of Directors, other members of the Board of Directors or any other individual appointed by the Chairperson may have prepared and, in any event, before any vote on the items of the agenda."

"Article 24.- Right to receive information during the General Shareholders' Meeting

1. During the period allotted to shareholders to address the meeting, shareholders may verbally request any information or clarification that they deem necessary regarding matters included on the agenda, any public information provided by the Company to the CNMV since the last General Shareholders' Meeting was held, or information regarding the report prepared by the statutory auditor. To do so, requesting shareholders must have previously identified themselves under Article 22 above.

2. Directors must provide such information in accordance with the preceding section, except in the circumstances of Article 9.4 of these Regulations.

Likewise, when, prior to the formulation of a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's corporate website in the "Q&A" format, the directors may limit their reply to refer to the information provided in that format.



3. *The requested information or clarification shall be provided by the Chairperson or, where appropriate and if so directed by the Chairperson, by the Managing Director (if any), the Chairpersons of the Committees of the Board of Directors, the Secretary or Deputy Secretary, a director or, if appropriate, by any employee or expert in the field. The Chairperson shall determine in each case, and depending on the information or clarification requested, if the best course of action for the smooth operation of the General Shareholders' Meeting is to provide each answer individually or grouped by subject matter.*

4. *If directors are unable to provide a full answer to the relevant shareholder at the General Shareholders' Meeting, the directors shall provide the requested information in writing to such shareholder within seven days after the General Shareholders' Meeting."*

"Article 26.- Casting of votes by remote means of communication prior to the General Shareholders' Meeting

1. *Shareholders entitled to attend the meeting may vote prior to the General Meeting on proposals relating to items on the agenda of any General Shareholders' Meeting by remote communication means, meaning:*

a. *By mail, thereby submitting a duly signed and completed attendance proxy and remote voting cards issued by the Company, if any, or by the entity or entities in charge of keeping the registry of book entries, or other written instrument which, as resolved by the Board of Directors in a prior resolution adopted for such purposes, allows the identity of the shareholder exercising his voting rights to be duly guaranteed; or*

b. *Through electronic correspondence or any other remote means of communication that the Board of Directors may have specified, where appropriate, on the notice of call for each General Shareholders' Meeting, provided that they meet the appropriate guarantees to verify the identity of the voting shareholder and, where appropriate, the security of electronic communications.*

2. *Votes that are cast remotely as described above shall only be valid if received by the Company by midnight on the day immediately preceding the date scheduled for holding the General Shareholders' Meeting. The Board of Directors may set a shorter period for receiving votes by remote means of communication.*

3. *If no express instructions are included in the remote voting, or if they are only included in respect of some of the items on the agenda of the call to meeting, it shall be understood that the remote vote refers to all the items included in the agenda of the call to the General Shareholders' Meeting and that it is in favour of the proposals made by the Board of Directors.*

The means by which the shareholder may cast his vote by remote means may provide, in relation to proposed resolutions concerning items not included in the agenda of the call to meeting, for the granting of his proxy, in which case the rules established for this purpose in these Regulations shall apply to the proxy.

4. *Shareholders voting by remote means under the above provisions shall be deemed present for the purposes of the formation of the relevant General Shareholders' Meeting. Consequently, any proxies granted before such vote shall be deemed cancelled, and any proxies granted after such vote shall be ignored.*

5. *Votes cast by means of remote communication under the provisions herein shall be rendered null and void only:*



- a. *If they are thereafter expressly revoked by the same means used to cast such votes, always within the initial period allowed to cast the vote.*
 - b. *If the voting shareholder or his proxy attends the meeting in person, either physically or telematically.*
 - c. *Upon a sale of the relevant shares, of which the Company becomes aware, at least five days before the date scheduled for the General Shareholders' Meeting.*
6. *The Board of Directors may implement the above provisions establishing the rules, means and procedures appropriate to the state of the art to facilitate the casting of remote votes and the granting of proxies by electronic means, where appropriate under any statutory provisions governing such system and the provisions in the Articles of Association and these Rules. In particular, the Board of Directors shall adopt any necessary measures to ensure that the shareholder casting the vote or appointing a proxy by post or electronic communication is duly authorised to do so under the Company's Articles of Association and these Rules. Such means and procedures shall be published on the website of the Company.*
7. *The addition of remote shareholders who have cast their vote prior to the General Meeting by remote means of communication to the attendance list shall proceed by combining the computer media where they are registered with any storage media containing the rest of such list. If the list is prepared under the form of a file listing all attendance, proxy and remote voting cards, such addition shall proceed by producing a hard copy including the same information as the information on the card for each shareholder who voted through electronic means, without prejudice to the preservation in any durable electronic medium of evidence of the vote received."*

"Article 26 bis.- Attendance at the General Meeting by telematic means

The Company may enable attendance at the General Meeting by telematic and simultaneous means that duly guarantee the identity of the shareholders and their proxies and the casting of votes during the holding of the Meeting, provided that the Board of Directors so resolves. In this case, the notice of call shall establish the deadlines, forms and methods of exercising shareholders' rights, in accordance with the provisions of the Articles of Association and these Regulations. In particular, the Board of Directors may determine that the interventions and proposed resolutions which, in accordance with the Law and these Regulations, those who intend to attend by telematic means, shall be sent to the Company prior to the constitution of the General Meeting. All such information shall also be posted on the Company's website."

"Article 27.- Voting on proposed resolutions

1. *Once the period for shareholders to address the meeting has ended and any information or clarifications have, where appropriate, been provided under these Rules, the proposed resolutions on the items included in the agenda -or other proposals (if any) regarding any other matters which, by law, need not be included in the agenda- shall be put to a vote. In the case of those proposals which need not be so included in the agenda.*
2. *There shall be no requirement for the Secretary to read out proposed resolutions in advance if the texts have been at the disposal of shareholders prior to the General Meeting unless otherwise requested (in respect of all or any proposal) deemed appropriate by the Chairperson. In any event, attendees shall be informed of the item on the agenda to which the proposed resolution that is being put to a vote refers.*
3. *Significantly independent matters shall be voted on separately, even if they are listed under or relate to the same item in the agenda, so that shareholders may exercise their voting preferences*



separately. This rule shall apply, in particular: (i) to the appointment, confirmation, re-election or removal of each director, which should be voted on separately; (ii) to an advisory vote on the annual report on the remuneration of directors; and (iii) in the event of any amendments of the Articles of Association of the Company, in respect of each article or group of articles that is essentially independent.

Without prejudice to the above, if circumstances so advise, the Chairperson may decide that the proposals corresponding to various items on the agenda be submitted to a single vote, and the resulting vote shall be deemed to apply to each proposal if none of the attendees expressed their intention to change the direction of their vote regarding any specific item. Otherwise, any such changes expressed by each attendee and the outcome of the vote in respect of each proposal arising as a result of such changes shall be noted in the minutes.

4. The procedure to adopt resolutions shall follow the order of the agenda included in the notice of call. First, any resolutions proposed by the Board of Directors shall be put to a vote, followed by any resolutions proposed, where appropriate, by other proponents and any proposals related to matters on which the General Shareholders' Meeting is authorised to resolve even though such matters were not on the agenda. The Chairperson shall decide the order in which such matters shall be put to a vote. In any event, once a proposal has been adopted as a resolution, all other proposals relating to the same matter that are incompatible with it shall be automatically withdrawn and shall not, therefore, be submitted to a vote.

5. As a general rule and without prejudice to the authority of the Chairperson to use alternative voting procedures and systems, for the purposes of voting on proposed resolutions, the direction of the shareholders' votes shall be determined as follows:

a. In the case of proposed resolutions related to items included in the agenda of the call carried out or taken over by the Board, the votes corresponding to all shareholders attending in person or by proxy shall be considered as votes for such resolution, after deducting any votes corresponding to: those shares whose holders or proxies stated that they vote against, in blank or abstain by notice to the notary public (or otherwise to the Secretary to the General Shareholders' Meeting) or his assistants, to be recorded in the minutes; those shares whose holders voted against or in blank or expressly stated their abstention by remote communication means under these Rules; those shares whose holders or proxies left the meeting before the vote on the relevant proposal, provided that their departure from the meeting was recorded by the notary public or his assistants or otherwise by the Secretary to the General Shareholders' Meeting.

b. In the case of proposed resolutions related to items not included in the agenda of the call or proposals not taken up by the Board, the votes corresponding to all shareholders attending in person or by proxy shall be considered as votes against such resolution, after deducting any votes corresponding to: those shares whose holders or proxies state that they vote for, in blank or abstain by notice to the notary public or otherwise to the Secretary to the General Shareholders' Meeting or his assistants, to be recorded in the minutes; those shares whose holders or proxies left the meeting before the vote on the relevant proposal, provided that their departure from the meeting was recorded by the notary public or his assistants (or otherwise by the Secretary to the General Shareholders' Meeting).

c. Any statements or notices to the notary public (or, failing that, to the Secretary or any assistants) referred to in paragraph a) above regarding the direction of the vote or any abstention may be made individually with respect to each of the proposed resolutions or in aggregate in respect of several or all resolutions, by confirming to the notary public or otherwise to the Secretary or their

assistants the identity and status (i.e., as a shareholder or proxy) of the voter, the number of shares being voted and the direction of such vote or, if appropriate, any abstention."

"Article 28.- Conflict of interests

1. *Shareholders may not exercise any voting rights attached to their shares whenever the proposed resolution is intended to:*

- a. *Release the shareholder from any obligation, or grant any right to such shareholder;*
- b. *Provide such shareholder with any financial assistance, including any guarantee; or*
- c. *Release such shareholder from any obligations derived from any duty of loyalty under applicable regulations.*

2. *In cases of conflict of interest of shareholders other than those provided for in section 1 above, the shareholders affected shall not be deprived of their voting rights, without prejudice to the provisions of law in this respect."*

"Article 30.- Minutes of the General Shareholders' Meeting

1. *All decisions of the General Shareholders' Meeting shall be recorded directly on the minutes book or otherwise copied onto such book. The minutes must be approved by the General Shareholders' Meeting upon closing of the meeting or, failing this and within any term provided for in the relevant regulations applicable to the Company, by the Chairperson and two scrutineers (one of them acting on behalf of the majority, and the other acting on behalf of the minority).*

2. *Corporate decisions recorded in minutes approved as described above may be implemented from the date of such approval.*

3. *The Board of Directors may ask a notary public to attend the General Shareholders' Meeting and take the minutes and shall do so following a request to such effect -filed five days before the date scheduled for the meeting- by shareholders representing at least one per cent of the share capital.*

4. *The minutes taken by a notary public shall constitute the minutes of the meeting, and shall not be subject to the approval of the meeting."*

"Article 31.- Publicity of resolutions

Without prejudice to the registration with the Spanish Commercial Registry of any resolutions subject to compulsory registration, and notwithstanding any applicable statutory provisions regarding the publication of company resolutions, the Company shall notify the approved resolutions to the CNMV as a regulatory disclosure (otra información relevante), either verbatim or by providing an extract thereof. The text of all resolutions passed and the result of the votes corresponding to all General Shareholders' Meetings held during the current and the previous year shall be published in full on the website of the Company within five days after the end of the relevant meeting. Upon a request by any shareholder or his proxy-holder at the relevant General Shareholders' Meeting, the Secretary shall issue a certificate of the resolutions or the notarial minutes, if applicable."

9.6 Approval, as a result of the previous amendments, of a consolidated text of the General Shareholders Meeting Regulations

As a consequence of the amendments that have been approved under the previous resolutions, it is hereby resolved to approve a consolidated text of the General Shareholders Meeting Regulations.

ITEM TEN ON THE AGENDA

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

RESOLUTION

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

- (a) Elaborate on, clarify, make more specific, interpret, complete, and correct them.
- (b) Carry out such acts or legal transactions as may be necessary or appropriate for the implementation of the resolutions, execute such public or private documents as they deem necessary or appropriate for the full effectiveness thereof, and correct all omissions, defects, or errors, whether substantive or otherwise, that might prevent the recording thereof with the Commercial Registry.
- (c) 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 ELEVEN ON THE AGENDA

Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2020

RESOLUTION

To approve, on a consultative basis, the Annual Directors' Remuneration Report for financial year 2020, 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 TWELVE ON THE AGENDA

Acknowledgement of the amendments to the Board of Directors' Regulations, the Audit and Control Committee's Regulations and the Appointments and Remuneration Committee's Regulations

RESOLUTION

To acknowledge the amendments of the Board of Directors' Regulations, the Audit and Control Committee's Regulations and the Appointments and Remuneration Committee's Regulations, approved by the Board of Directors at its meeting held on December 15, 2020. The main purpose of these amendments is to incorporate certain improvements on corporate governance matters that derive from the latest update to the Good Governance Code of Listed Companies, approved on June 26, 2020, and that must be reflected in the referred regulations, as well as the purpose of incorporating certain technical improvements.

The amendment of each article of the Board of Directors' Regulations, the Audit and Control Committee's Regulations and the Appointments and Remuneration 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.

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MS. ISABEL AGUILERA NAVARRO AS INDEPENDENT DIRECTOR OF THE COMPANY INCLUDED UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING TO BE HELD ON APRIL 21 OR 22, 2021, 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 Ms. Isabel Aguilera Navarro as independent director of the Company.

In accordance with the provisions of paragraph 4 of the referred 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 Ms. Isabel Aguilera Navarro's office, this report aims to assess her competence, experience and merits, in view of the Appointments and Remunerations Committee's proposal to re-elect Ms. Isabel Aguilera Navarro 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 Ms. Isabel Aguilera Navarro and her suitability to perform her 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 March 18, 2021.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on of the candidate's identity, CV and director category. In addition, this report includes a valuation of the quality of her job and her involvement during her previous office

and of the eligibility requirements needed to perform the duties corresponding to the Company's directors.

a. Biographical and professional profile

Ms. Isabel Aguilera Navarro developed her professional career at various companies across several sectors. She served as President for Spain and Portugal at General Electric, General Manager for Spain and Portugal at Google, Chief Operating Officer at NH Hoteles Group, CEO for Spain, Italy and Portugal at Dell Computer Corporation and member of the board of directors at different companies such as Indra Sistemas, Banco Mare Nostrum, Aegon Spain, Laureate Inc., Egasa Group, HPS (Hightech Payment Systems) and, currently, Making Science Group, S.A.

Ms. Isabel has a degree in Architecture and Urbanism from the Escuela Técnica Superior de Arquitectura of Seville, a master's degree in Commercial and Marketing Management from IE, and completed the General Management Programme at IESE and the Executive Management of Leading Companies and Institutions Programme at San Telmo Institute. Ms. Isabel is currently Associate Professor at ESADE and Strategy and Innovation Consultant.

b. Membership of other boards of directors of listed companies

Currently, Ms. Isabel Aguilera Navarro is member of the Board of Directors of the following listed companies:

- Banca Farmafactoring S.p.A.
- Cemex S.A.B.
- Clínica Baviera, S.A.
- Oryzon Genomics, S.A.

Consequently, she 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 of four other boards of directors of listed companies on official secondary markets (apart from the Company) in Spain or abroad.

c. Quality of her work and involvement

Ms. Isabel Aguilera Navarro was appointed as a director of the Company and as a member of the Audit and Control Committee on May 28, 2017, by the Board of Directors through the co-option mechanism. On April 18, 2019, the General Shareholders Meeting of the Company ratified her appointment and approved her re-appointment as director for the statutory period of three years. Currently, Ms. Isabel Aguilera Navarra is a member of the Audit and Control Committee of the Company.

The Board of Directors has analysed the duties performed by Ms. Isabel Aguilera Navarro and her dedication during the previous office and it considers that she has fulfilled her 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. In particular, the Board of Directors considers that Ms. Isabel Aguilera Navarro has exercised her duties as a director with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

To carry out this analysis, the Board of Directors has taken into consideration the result of the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019, as well as the result of the internal analysis carried out by the Company during 2020. In both cases, it was concluded that the Board was in very good standing, and that it was balanced and in line with best corporate governance practices. In summary, the analyses concluded that it is a well-consolidated board, in which all of the directors have a positive opinion of the other directors and the development of their duties.

Moreover, taking into account the competencies matrix that was developed last year by the Appointments and Remunerations Committee in accordance with the third item of Section 3 of the Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), which was reviewed and updated in December 2020, the Board of Directors considers that Ms. Isabel Aguilera Navarro is fully qualified for the position for which she is proposed, being an expert in the matters highlighted in the matrix that is included in the proposal of the Appointments and Remunerations Committee, all of which are matters that the Company considers essential for its proper performance and for the good performance of the Board as a governing body.

Additionally, the Board of Directors values the extensive professional track-record of Ms. Isabel Aguilera and considers that she has the knowledge and experience required for the appropriate performance of her duties as a director of the Company.

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

d. Holdings in the Company

In accordance with the information that has been provided to the Company, Ms. Isabel Aguilera Navarro currently own 2,620 shares in the Company.

e. Director's Category

Ms. Isabel Aguilera will not represent any shareholder on the Board of Directors and will not perform executive duties. Furthermore, the Board has verified that the candidate complies with the requirements to be considered as an independent director in accordance with the 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 Ms. Isabel Aguilera Navarro as a director of the Company, under the category of independent



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director, for the statutory term of three years. The Board is convinced that she will provide continuity to the management of the Company and its group.

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 Ms. Isabel Aguilera Navarro as member of the Board, under the category of "independent director", for the statutory period of three years."

Madrid, March 18, 2021

ANNEX

APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL TO THE BOARD OF DIRECTORS IN RELATION TO THE RE-ELECTION OF MS. ISABEL AGUILERA NAVARRO 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 Ms. Isabel Aguilera Navarro 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 Ms. Isabel Aguilera'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 Ms. Isabel Aguilera Navarro and has assessed her performance as member of the Board of Directors of the Company and member of the Audit and Control Committee.

Ms. Isabel Aguilera Navarro developed her professional career at various companies across several sectors. She served as President for Spain and Portugal at General Electric, General Manager for Spain and Portugal at Google, Chief Operating Officer at NH Hoteles Group, CEO for Spain, Italy and Portugal at Dell Computer Corporation and member of the board of directors at different companies such as Indra Sistemas, Banco Mare Nostrum, Aegon Spain, Laureate Inc., Egasa Group, HPS (Hightech Payment Systems) and, currently, Making Science Group, S.A.

Ms. Isabel has a degree in Architecture and Urbanism from the Escuela Técnica Superior de Arquitectura of Seville, a master's degree in Commercial and Marketing Management from IE, and completed the General Management Programme at IESE and the Executive Management of Leading Companies and Institutions Programme at San Telmo Institute. Ms. Isabel is currently

Associate Professor at ESADE and Strategy and Innovation Consultant..

In this context, the Appointments and Remunerations Committee has taken into consideration the result of the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019, as well as the result of the internal analysis carried out by the Company during 2020. In both cases, it was concluded that the Board was in very good standing, and was balanced and in line with best corporate governance practices. In summary, the analysis concluded that it is a well-consolidated board, in which all of the directors have a positive opinion of the other directors and the development of their duties.

Moreover, this Committee considers that Ms. Isabel Aguilera Navarro is fully qualified for the position for which she is proposed, being an expert, among others, in the matters highlighted in the competencies matrix that is attached to this proposal as an Annex, all of which are matters that the Company considers essential for its proper performance and for the good performance of the Board as a governing body. The referred matrix was developed last year by this Committee in accordance with the third item of Section 3 of the Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), and was reviewed and updated in December 2020.

On a separate note, the Appointments and Remunerations Committee has analysed the other offices in which Ms. Isabel Aguilera Navarro currently occupies. Taking into account the she is currently a member of the Board of Directors of four listed companies different from Company —this is, Banca Farmafactoring S.p.A., Cemex S.A.B., Clínica Baviera, S.A. and Oryzon Genomics, S.A.— the Committee considers that she complies with 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 she is not involved in any situation that prevent him from performing her 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 Ms. Isabel Aguilera Navarro has the appropriate competence, experience and merits to exercise her 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 Ms. Isabel Aguilera Navarro 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 Ms. Isabel Aguilera Navarro as member of the Board, under the category of "independent director", for the statutory period of three years."

ANNEX

COMPETENCIES MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	JOSÉ LUIS DEL VALLE	LETICIA IGLESIAS	ISABEL AGUILERA	ROGER COOKE	MIGUEL PEREDA	LAURENT LUCCIONI	ALEC EMMOTT
Office / Committees	Non-executive chairperson / CAC member	Director / CAC chairperson	Director / CAC member	Director / CNR chairperson	Director / CNR member	Director / CNR member	Director / CNR member
Category	Independent	Independent	Independent	Independent	Proprietary	Proprietary	Independent
Nationality	Spain	Spain	Spain	UK	Spain	France	UK
Sectorial: Real estate / Retail / Valuations				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sectorial-Technical: Architecture / Urban planning / Engineering	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
IT			<input checked="" type="checkbox"/>				
Finance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
AUDIT / Risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
International markets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other boards	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investor knowledge / Stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team and talent management		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
First Executive Duties / CEO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



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REPORT BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE AMENDMENTS TO THE BOARD OF DIRECTORS' RULES AND REGULATIONS, THE AUDIT AND CONTROL COMMITTEE'S REGULATIONS AND THE APPOINTMENTS AND REMUNERATIONS COMMITTEE'S REGULATIONS, INCLUDED UNDER ITEM TWELVE OF THE AGENDA OF THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON APRIL 21 OR 22, 2021 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 amendments to (i) the Board of Directors' Rules and Regulations (the "**BoD Regulations**"); (ii) the Audit and Control Committee's Regulations (the "**CAC Regulations**"); and (iii) the Appointments and Remunerations Committee's Regulations (the "**CNR Regulations**").

These amendments were approved by the Board of Directors of the Company on December 15, 2020.

To assist with 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 and the old 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 AMENDMENTS

Article 3 of the BoD Regulations of the Company provides that the BoD Regulations must be updated whenever its content needs to be adapted to the applicable provisions that might be in force from time to time. Similarly, articles 2.2 of the CAC Regulations and of the CNR Regulations establish that the referred regulations shall be reviewed on a regular basis by the Board of Directors, taking into consideration the proposals of the Committees with regard to their own regulations.

Taking this into account, the Board of Directors approved several amendments to the BoD Regulations, the CAC Regulations and the CNR Regulations to incorporate certain improvements on corporate governance matters that derive from the latest update to the Good Governance Code of Listed Companies (the "**CBG**"), approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on June 26, 2020.

The referred revision of the CBG updates and adapts several recommendations of the CBG to align them with certain provisions that have been approved since the publication of the CBG in 2015. The main areas of focus of the revision of the CBG are: (i) the promotion of gender diversity in the boards of directors; (ii) the greater relevance of non-financial information and sustainability; (iii) the greater focus on non-financial risks; and (iv) the clarification of certain aspects of the remuneration of directors.



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The following sections include a detailed description of the amendments that have been implemented to adapt the BoD Regulations, the CAC Regulations and the CNR Regulations to the revised version of the CBG.

3. STRUCTURE OF THE AMENDMENTS TO THE BOD REGULATIONS

The amendments that have been implemented as a consequence of the revision of the CBG primarily affect the sections related to the corporate policies of the Company, the resignation and dismissal of directors, the composition of the Audit and Control Committee and the functions of the committees of the Board. These amendments modify, among others, articles 5.4, 5.5, 13.2, 14.1, 14.3, 15.4, 23.4, 30.1 and 36.3 of the BoD Regulations.

In addition to the amendments referred to in the previous paragraph, certain recommendations that were included in the CBG before the 2020 revision and that were already followed by the Company, although they were not formally reflected in the Company's regulations, were expressly incorporated in the BoD Regulations. Specifically, recommendations 12, 21, 34 and 35 of the CBG have been formally incorporated to BoD Regulations. Finally, other purely technical amendments have also been implemented, such as those related to articles 4.2, 5.2, 5.4, 17, 19.4, 28, 28 bis and 40.1 of the BoD Regulations.

A document highlighting the changes to the BoD Regulations is attached to this report as **Annex I.**

4. STRUCTURE OF THE AMENDMENTS TO THE CAC REGULATIONS

The amendments that have been implemented as a consequence of the revision of the CBG primarily affect the sections related to the composition and the powers of the Audit and Control Committee. These amendments modify articles 3.1 and 5.1 of the CAC Regulations.

In addition to the amendments referred to in the previous paragraph, other purely technical amendments have also been implemented, such as those related to articles 7.2 and 9.1 of the CAC Regulations.

A document highlighting the changes to the CAC Regulations is attached to this report as **Annex II.**

5. STRUCTURE OF THE AMENDMENTS TO THE CNR REGULATIONS

The amendments that have been implemented as a consequence of the revision of the CBG primarily affect the section related to the powers of the Appointments and Remunerations Committee and, in particular, article 5.1 of the CNR Regulations.

In addition to the amendment referred to in the previous paragraph, other purely technical amendments have also been implemented, such as those related to articles 7, 8 and 9 of the CNR Regulations.

A document highlighting the changes to the CNR Regulations is attached to this report as **Annex III.**

Madrid, March 18, 2021



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ANNEX I

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Regulations of the
Board of Directors of
**Lar España Real Estate SOCIMI,
S.A.**

Madrid, 1~~2~~⁵ December 20~~19~~²⁰

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REGULATIONS OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, SOCIEDAD ANÓNIMA.

TITLE I. - INTRODUCTION

Article 1. Origin and purpose

1. These Regulations have been approved by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), following reporting to the General Shareholders’ Meeting, pursuant to the provisions in article 516 of the consolidated text of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Corporate Enterprises Act**”). These Regulations are intended to establish the principles for action for the Board of Directors, the basic rules of its organisation and functioning, [and rules of selection, appointment, re-election and dismissal](#) as well as the conduct rules for its members.
2. The conduct rules established in these Regulations for the Company directors will also apply to the Company’s senior management, to the extent that they are compatible with their specific nature and the activities performed. For purposes of these Regulations, "senior management" will be defined as those managers who directly report to the Board of Directors or the Chief Executive Officer (“**CEO**”), if any, and in any case to the person in charge of the Company’s internal auditing.

Article 2. Interpretation

1. These Regulations complete the regulatory regime that applies to the Board of Directors established in the regulations in force and in Articles of Association of the Company. It will be interpreted pursuant to the applicable legal and statutory regulations and the principles and recommendations on the corporate governance of listed ~~companies Prestige, approved or issued by the Spanish authorities and the authorities of neighbouring countries in force at all times, or by special committees or working groups established by virtue of a mandate from those~~ [companies established by supervisory bodies or other authorities of renowned prestige assumed by the Company.](#)
2. The Board of Directors will be responsible for settling any doubt arisen by the application and interpretation of these Regulations in accordance with the general criteria for the interpretation of the legal provisions.

Article 3. Amendment

1. These Regulations may be amended only at the request of the Chairman of the Board of Directors, by one third of the directors or the Audit and Control Committee, and in any case the proposal for amendment must be accompanied by an explanatory report, as

well as by a report prepared by the Audit and Control Committee, except when that proposal is issued by the aforementioned Committee.

2. The text of the proposal and the explanatory report of its authors must be attached to the call to the meeting of the Board that is to make a decision on it. The call to meeting must be made at least ten days in advance.

~~3. Any amendment to the Regulations will require, in order to be valid, approval by the majority of the attending directors, present or represented, in the meeting.~~

3. ~~4.~~ These Regulations must be updated whenever required to adapt their contents to the applicable provisions in force.

Article 4. Disclosure obligations

1. The directors and senior managers have the obligation to acknowledge, fulfil, and enforce these Regulations. To this end, the Secretary of the Board will provide them all with a copy of these Regulations when they accept their respective appointments or when their recruitment become effective, as applicable, and they will provide the Secretary with a signed declaration in which they state that they know and accept the contents of these Regulations, agreeing to fulfil any obligations that can be enforced by virtue thereof.
2. Notwithstanding the fulfilment of the obligations provided in the regulations applicable at any time, ~~the Board of Directors of the Company will take the appropriate measures for~~ the Regulations will be available in the Company's website in order to be duly disclosed amongst the shareholders and the investing public in general.

TITLE II. - FUNCTION OF THE BOARD

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' policy, which has the broadest powers and faculties to manage, lead, run and represent the Company, ~~as a general rule, will delegate~~ is to focus its activity, within the legal limits, on the general function of strategic coordination and the definition and supervision of the basic management guidelines of the Company and its Group, deciding on matters of strategic relevance at Group level, respecting the respective functional areas and responsibilities of each entities that from part of the Group and operating in interest of all of them, entrusting the direction and ordinary management of the Company ~~in the delegate 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~~ to the Chairman, to the CEO, if any, and senior management team, of the Company.

Furthermore, the Board of Directors, as the core of its mission, approves the Company strategy and the 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.

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 supervision of the effective operating Committees that it has constituted and the performance of the delegated bodies and the managers that it has designated.

b. To determinate 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 Company's group;

iv. the governance policy of the Company an its Group.;

v. the corporate social responsibility policy and sustainability in environmental and social aspects;

vi. the risk control and management policy, including tax risks as well as the supervision of the internal reporting and control systems;

vii. the dividends policy ;

viii. ..Own shares policy.

ix. Tax strategy of the Company.

c. 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.

d. b-The call to the General Shareholders' Meeting, as well as the ~~publication of notices pertaining to it.~~ preparation of the agenda and the agreement proposal.

e. e-The authorization or waiver of the obligations derived from the duty of loyalty, pursuant to the provisions in the applicable legislation, Articles of Association and these Regulation.

- f. The formulation of any kind of report required by law to the Board of Directors, provided that the operation to which the report refers cannot be delegated.
- g. ~~d.~~—The enforcement of the Company’s ~~treasury stockown shares policy~~ as authorized by the General Shareholders’ Meeting.
- h. ~~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~~approval of payment of interim dividends.
- i. ~~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~~and re-election of directors who are not independent, following a report from the Appointments and Remuneration Committee, or the removal of those directors.
- j. ~~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.
- k. ~~h.~~—The appointment and removal of ~~CEOs~~CEO, if any, 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.
- l. ~~i.~~—The appointment and renewal of the internal positions in the Board of Directors and the members and internal positions in their committees.
- m. ~~j.~~ ~~At the proposal of the Company’s first executive director, the~~ The appointment and potential removal of senior managers, ~~as well as the approval of their severance packages.~~
- n. ~~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~~Chairman of the Board of Directors or the CEO, if any, which will be submitted to the Board of Directors by the Appointments and Remuneration Committee.
- o. ~~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.
- p. The formulation, if applicable, of the statement of non-financial information for its presentation to the General Shareholders’ Meeting.
- q. ~~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 or especial tax risk, unless their approval correspond to the General Shareholders’ Meeting.
- r. ~~n.~~—The approval of 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~~ Company and its Group's transparency.

- ~~s.~~ ~~e.~~—The approval, following a report by the Audit and Control Committee, of the ~~related party~~ related party transactions as they are defined by applicable legislation at any time, unless its approval corresponds to the General Shareholders' Meeting.
- ~~t.~~ ~~p.~~—The ruling on any takeover bid made on stock issued by the Company.
- ~~u.~~ ~~q.~~—~~The~~ Its organization and functioning and, in particular, the approval and amendment of these Regulations, following a report from the Audit and Control Committee
- ~~v.~~ ~~r.~~—Preparing the Company's Annual Governance Report and the sustainability report or annual report, as well as the ~~a~~ Annual ~~r~~ Report on the ~~directors' remuneration policy~~ Directors Remuneration.
- ~~w.~~ ~~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~~ and its Committees, proposing, on the basis of its result, an action plan to correct the deficiencies detected, in the terms provided for in article 18 of these Regulation.
- ~~x.~~ The powers that the General Shareholders' Meeting has delegated to the Board of Directors, unless it has been expressly authorized by it to sub-delegate them.
- ~~y.~~ ~~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.

- ~~ii.~~—~~The Board of Directors, as the core of its mission, approves the Company strategy and the 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.~~

- 5. When there are urgent circumstances, duly justified, the decisions corresponding to the above matters may be adopted in the cases legally permitted by the bodies or persons

delegated, which must be ratified at the first Board of Directors meeting held after the decision is adopted.

6. ~~5.~~ The Board will approve a diversity policy ~~for~~of the Board of Directors and the selection of directors aimed at promoting an appropriate composition of the Board 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~~competences required by the Board of Directors and promote diversity of knowledge, experience, age and gender in accordance with the best corporate governance practices.

The result of the prior analysis of the ~~needs of~~competences required by the Board of Directors will be collated in ~~a supporting the~~ report or proposal 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 6. Corporate interest

1. The Board of Directors will perform its functions with a single purpose and independence, treating all shareholders in identical conditions equally and seeking the Company's interest, which is understood as ~~maximising the achievement of a profitable and sustainable business in the long term, which promotes its continuity and maximization of~~ the Company's financial value ~~on a sustained basis. Likewise, the Board will also ensure that, in its relations with stakeholders, the Company complies the regulations in force, fulfil their obligations and contracts in good faith, respect customs and good practices in the sectors and territories in which it operates, and observes any additional social responsibility principles that were voluntarily accepted.~~

2. In the pursuit of the social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted customs and good practices, the Board of Directors shall endeavour to reconcile its own social interest not only with the best defense and protection of the interests of all the shareholders, from whom its mandate comes and to whom it is accountable, but also with, as appropriate, the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and on the environment.

TITLE III. - COMPOSITION OF THE BOARD OF DIRECTORS

Article 7. Quantitative composition

1. The Board of Directors will be comprised a number that will not be fewer than five members or more than fifteen members, as established by the General Shareholders' Meeting.
2. The Board will propose to the General Shareholders' Meeting the number of members that, on the basis of the Company's changing circumstances and within the limits of the

Articles of Association, is most appropriate to ensure due representation and effective functioning of the Board.

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, 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 in a number that allows a balanced presence of women and men.

TITLE IV.- STRUCTURE OF THE BOARD OF DIRECTORS

Article 9. The Chairman

1. The Chairman of the Board of Directors will be elected from amongst its members pursuant to the provisions of the Articles of Association of the Company [and in these Regulations](#).

2. The Chairman of the Board of Directors, as the person in charge of effective functioning of the Board of Directors, will perform the following actions in addition to performing the functions that are attributed to him or her by law or by the Articles of Association:
 - a. preparing and submitting to the Board a schedule of dates and matters to discuss;
 - b. organising and coordinating the periodic evaluation of the Board, as well as, if applicable, that of the Company's first executive director;
 - c. being responsible for the management of the Board and its effective functioning;
 - d. ensuring that sufficient time is devoted to the discussion of strategic matters, and ~~deciding~~agree and ~~review~~ing the training programmes focused on updating knowledge and skills for each director, when circumstances so advise.

Article 10. The Deputy Chairman

The Board may ~~appoint~~one appoint, on a proposal from its Chairman, one or several Deputy Chairmen. The Deputy Chairman will replace the Chairman in the event of vacancy, absence, or illness, or when decided by the Chairman of the Board. Should there be several Deputy Chairmen, they will replace the Chairman in the order provided for such purpose by the Board of Directors.

Article 11. The Secretary and Legal Advisor of the Board of Directors

1. The Board of Directors will appoint, at the proposal of its Chairman, a Secretary, who may be appointed either from amongst the members of the Board or the non-directors who are fit to perform the functions proper to such position. If the Secretary of the Board of Directors is not a director, he or she will have the right to speak but not to vote.

In any case, to protect the independence, impartiality, and professionalism of the Secretary, his or her appointment and removal will be approved by the plenary meeting of the Board of Directors, following a report from the Appointments and Remuneration Committee.

2. The Secretary will assist the Chairman in his or her duties and will ensure the proper functioning of the Board, devoting special attention to providing directors with the necessary advice and information to carry out their duties with sufficient notice and in the appropriate format, preserve the corporate documents, will duly record meetings and their proper conducting in the minutes book, and will bear witness to the decisions of the body. Likewise, the Secretary of the Board of Directors will also record in the minutes of the meetings of the Board any concerns on the Company affairs not settled by the Board of Directors that were raised by directors, as well as any concerns raised by the Secretary or the directors with regard to any proposal, at the request of the party that raised the corresponding concern.

3. The Secretary will especially ensure that the actions of the Board of Directors (i) comply with the letter and spirit of the Law and its Regulations, including those approved by the regulatory bodies; (ii) comply with the Articles of Association and with the Regulations of the General Shareholders' Meeting, the Board of Directors, and the Internal Conduct Regulations in Stock Markets; and (iii) consider the recommendations on corporate governance ~~of~~applicable to the Company.

4. The Board of Directors may have a Legal Counsel to the Board of Directors who will perform the functions provided in the legislation in force. The Secretary or, if applicable, the Deputy Secretary, may hold the position of Legal Advisor to the Board of Directors when he or she is a lawyer and meets the other requirements established in the legislation in force.

Article 12. The Deputy Secretary of the Board of Directors

1. The Board of Directors may appoint, on a proposal from its Chairman, a Deputy Secretary, who will not have to be a director, in order to assist the Secretary of the Board of Directors or to replace the Secretary in the event of absence in the exercise of his or her duties, as well as in any other functions or internal positions held by the Secretary of the Board in that body, including any internal committees created in the Board of Directors.

In any case, for the purpose of protecting the independence, impartiality, and professionalism of the Deputy Secretary, his or her appointment and removal will be approved by the plenary meeting of the Board of Directors, following a report from the Appointments and Remuneration Committee.

2. Unless otherwise decided by the Board of Directors, the Deputy Secretary may attend the meetings of the Board, to assist the Secretary in the drafting of the minutes of the meeting.

Article 13. Delegated and advisory bodies

1. Notwithstanding any powers of attorney granted to any individual, the Board of Directors may create, on a permanent basis, an Executive Committee comprised a minimum of three and a maximum of seven members, and may also appoint a CEO at the proposal of the Chairman of the Board, and may delegate to them, totally or partially, on a temporary or on a permanent basis, all the powers that can be delegated under the Law. The delegation and appointment of the members of the Board of Directors to hold these positions will require the favourable vote of two thirds of the members of the Board of Directors, and will not come into effect until they are registered in the Commercial Registry.

2. The Company will ensure that, insofar as possible, ~~the participation structure of different categories of directors in the composition of~~in the Executive Committee ~~is similar to that of the Board of Directors~~will be at least two non-executive directors, being one of them independent. The position of Secretary of the Executive Committee will be held by the Secretary of the Board of Directors.

3. The Chairman of the Executive Committee will report to the Board of Directors on any matters discussed and the decisions adopted in its meetings, minutes of which will be recorded and a copy will be sent to all the members of the Board of Directors.
4. If the Chairman of the Board of Directors performs executive functions, the Board of Directors ~~will empower, with the abstention of the executive directors, must necessarily appoint~~ a lead independent director from amongst the independent directors, who will be specially authorised to:
 - a. Ask the Chairman of the Board of Directors to call a meeting of this body whenever he or she deems it appropriate.
 - b. Request the inclusion of matters on the agenda of the meetings of ~~the~~one Board of Directors, ~~already convened~~.
 - c. Chair meetings of the Board in the absence of the Chairman and the Deputy Chairmen, if any.
 - d. Coordinate and ~~reflect the views of~~meet the external directors ~~non-executive, echoing their concerns~~.
 - e. Lead the appraisal of the Chairman of the Board of Directors.
 - f. Contact investors and shareholders to find their views in order to form an opinion on their concerns, in particular regarding the company's corporate governance.
 - g. Coordinate the Chairman's succession plan.
5. In addition, an Audit and Control Committee and an Appointments and Remuneration Committee with the power of information, oversight, advice, and proposal in those matters that fall under its competence will be created as provided in Sections 14 and 15 of these Regulations and, where appropriate, in their own Regulations.
6. Likewise, the Board may create other committees with advisory or consulting functions, ~~without prejudice to their being attributed powers of decision on an exceptional basis~~. The Chairman, the Secretary, and the other members of those committees will be appointed by the Board of Directors ~~by simple majority~~.

Article 14. Audit and Control Committee. Composition, competences, and functioning

1. The Board of Directors will create, on a permanent basis, an Audit and Control Committee, comprised a minimum of three and a maximum of five directors, appointed by the Board of Directors itself from amongst the external or non-executive directors, the majority of which must be independent directors. The members of the Audit and Control Committee as a whole, and in particular its Chairman, will be appointed taking into account their knowledge and experience in accounting, auditing, and risk management, both financial and non-financial. Likewise, the Board will endeavour that they have knowledge of and experience in other fields that might be appropriate for the Audit and Control Committee to fulfil its functions ~~as a whole~~, such as finance, internal control, and information technologies.

Likewise, and without prejudice to the promotion of diversity of gender and geographic origin, the Committee members, who will be appointed taking into account the necessary dedication to carry out the functions entrusted thereto, will have, as a whole, the relevant technical knowledge necessary with regard to the Company's business sector.

2. The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof. The position of Secretary and Deputy Secretary of the Audit and Control Committee will be held by the Secretary of the Board of Directors, and, if applicable, by the Deputy Secretary of the Board.

The members of the Audit and Control Committee will hold their positions for a maximum term of three years, and may be re-elected one or several times by periods of equal maximum duration.

The position of Chairman will also be held for a maximum term of three years, at the end of which the Chairman may not be re-elected as such until one year has elapsed after his or her removal, notwithstanding his or her continuity or re-election as a Committee member.

3. Without prejudice to any other tasks that may be assigned at any time by the Board of Directors, the Audit and Control Committee will exercise the following basic functions:

- a. With regard to the supervision of financial and non-financial information:

- i. Report to the General Shareholders' Meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the Committee in this process.
- ii. Oversee the process of preparing and submitting the required financial information and submit recommendations or proposals to the ~~managing body~~ Board of Directors aimed at safeguarding its integrity.
- iii. Oversee that the annual accounts the Board of Directors ~~endeavours to present the financial statements~~ presents to the General Shareholders' Meeting ~~without reservations or qualifications in the auditors' report. Should such reservations or qualifications exist, both~~ are drawn up in accordance to accounting legislation. However, in those cases where the auditors includes any qualification in its report, the Chairman of the Audit and Control ~~Committee and the auditors should clearly explain to the shareholders of the content and scope of such reservations or qualifications. Committee should~~ give a clear explanation at the General Shareholders' Meeting of their opinion regarding the content and scope. Likewise, a summary of that opinion will be available to the shareholders at the time of the publication of the notice of the General Shareholders' Meeting.
- iv. Give the Board of Directors prior notice of any financial information and the management report, including, where appropriate, the required non-financial information that the Company, ~~as a listed company,~~ is obliged to publish periodically. The Audit and Control Committee must ensure that the half-yearly financial reports and the interim management reports are drawn up in accordance with the same accounting policies as the annual financial

statements and, to this end, it may ask the external auditor to conduct a limited review of the half-yearly financial reports.

b. With regard to the supervision of internal control and reporting systems:

i. Oversee and evaluate the preparation and the integrity of the financial and non-financial information prepared on the Company and, where appropriate, the Group, checking the fulfilment of legal provisions, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles.

ii. Oversee on a regular basis the effectiveness of the internal control of the Company and its Group as well as the activities of the Company's internal audit function, discussing together with the auditors and any significant weaknesses in the internal control system detected in the audit, all without diminishing its independence. To that effect, and where applicable, the Committee will submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.

iii. Ensure in general that the policies and systems established for internal control are effectively implemented in practice.

iv. ~~iii.~~ Oversee the unit that assumes the internal audit function, which will oversee the proper functioning of the reporting and internal control systems and will report functionally to the Chairman of the Audit and Control Committee and, in particular: (a) monitor the independence and effectiveness of the internal audit function; (b) propose the selection, appointment, ~~re-election~~ and removal of the head of the internal audit department; (c) propose the department's budget; (d) approve its priorities and the annual internal audit work plans, ensuring that its activity focuses primarily ~~on~~in the main risks ~~to which the Company is exposed (including reputational ones)~~; (e) receive regular reports on its activities; (f) and verify that senior management take into account the findings and recommendations of its reports.

The head of the internal audit department should present an annual work plan to the Committee, will report on its implementation, including any possible incidents and scope limitations arising during its implementation ~~and~~as well as the results and monitoring of its recommendations and will submit an activities report at the end of each year.

v. ~~iv.~~ Establish and monitor a mechanism whereby employees and ~~any third party can report in a confidential or, if appropriate, anonymous manner~~other persons related to the Company, such as directors, shareholders, suppliers, contractors and subcontractors can report any potentially significant irregularities within the Company, ~~particularly of a~~ or its Group, including financial and accounting ~~nature~~irregularities, or those of any other nature. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

c. With regard to the external auditor:

- i. Submit to the Board the proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process, in accordance with that set forth in applicable legislation, as well as the contracting terms.
- ii. Receive regular information from the external auditor in relation to the auditing plan and the results of its implementation, and verify that senior management has borne in mind its recommendations.
- iii. Establish the proper relationships with auditors to receive information on any matters that may threatened their independence, for examination by the Audit and Control Committee, and any other matters related to the audit process and, where applicable, the authorisation of the services other than those prohibited, under the terms envisaged in applicable legislation, as well as other notices envisaged in audit legislation and other audit regulations.

In any event, the external auditor must send written confirmation on its independence with respect to the Company or entities directly or indirectly connected thereto on an annual basis, as well as detailed and individual information on any type of additional services provided and the related fees received from these entities by the external auditor or by persons or entities related to the auditor, pursuant to the applicable accounting legislation.

- iv. Issue an annual report, prior to the issue of the auditors' report, containing an opinion on whether the independence of the auditors or audit companies has been compromised, which will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting. Such report will, in all cases, contain the reasoned evaluation the provision of each and every one of the additional services mentioned in the letter above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.

v. Preserve the independence of the external auditor in the performance of its duties and, for such purpose: (i) ensure that the Company notifies through the Spanish National Stock Market Commission of any change of auditor ~~as a Significant Event~~, accompanied by a statement of any possible disagreements arising with the outgoing auditor and, if any, of their content; (ii) ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services and, in general, other requirements designated to safeguard auditors' independence; and (iii), in the event of auditor's resignation, examine the reasons thereto.

vi. ~~v.~~ In the case of groups, the Committee should encourage the Group auditor to take on the auditing of all companies of the Group.

vii. ~~vi.~~ Ensure that the remuneration of the external auditor does not compromise its quality or independence.

- viii. ~~vii.~~ Ensure that the external auditor has an annual meeting with the Board of Directors in plenary session to inform it of the work carried out and developments in the Company's risk and accounting positions.
- d. With regard to oversight of risk management and control:
- i. Oversee and evaluate the effectiveness of the risk ~~management systems and control management systems including financial and non-financial relative to the Company or, where appropriate, to the Group (including operating, technological, legal, social, environmental, political and reputational or those related to corruption)~~ and, in particular, review these systems in order for the main risks to be properly identified, managed and disclosed.
 - ii. Oversee the internal risk management and control function.
 - iii. In relation to the risk policy and risk management, identify or determinate at least (i) the different types of risk (operating, technological, financial, legal, reputational, including those related to corruption) to which the Company is exposed, including financial or economic risks of contingent liabilities and other off-balance sheet risks; (ii) ~~the risk levels~~ a risk control and management model based on different levels (iii) the level of risk that the Company deems acceptable; ~~(iiiiv)~~ the measures in place to mitigate the impact of the identified risks, should they occur; and ~~(ivv)~~ the internal reporting and control systems to be applied to control and manage the aforementioned risks, including contingent liabilities and off-balance risks.
- e. With regard to the obligations of listed companies:
- i. Report to the Board of Directors, prior to the Board passing the related resolutions on the following:
 - a. ~~i.~~ The incorporation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
 - ~~i.~~ ~~Related transactions, as they are defined by the legislation applicable at any given time.~~
 - b. The economic terms, the accounting impact and, where applicable, the impact on the exchange ratio, of the structural changes and corporate transactions that the Company plans to carry out.
 - c. Any amendment to the internal code of conduct.
 - ii. ~~With regard to, Inform about~~ related transactions, ~~the to be approved by the General Shareholders' Meeting or the Board of Director.~~

The annual report issued, where applicable, by the Audit and Control Committee on related transactions will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.

~~a. The economic terms, the accounting impact and, where applicable, the impact on the exchange ratio, of the structural changes and corporate transactions that the Company plans to carry out.~~

~~b. Any amendment to the internal code of conduct.~~

f. With regard to the supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct:

i. Monitor compliance with legal requirements and the Company's internal governance regulations, ~~including and the~~ internal codes of conduct, ensuring that the corporate culture is aligned with its purpose and values.

ii. Regularly review the Company's internal governance regulations and propose to the Board of Directors, for approval or submission at the General Shareholders' Meeting, as the case may be, any amendments and updates that contribute to its development and ongoing improvement.

iii. Promote the Company's corporate governance strategy, as well as regularly evaluate ~~the effectiveness of and review~~ the Company's corporate governance system, in order to confirm that it is fulfilling its mission to promote the corporate interest and consider, as appropriate, the legitimate interests of remaining stakeholders.

iv. Oversee the general policy relative to the communication ~~strategy and of economic-financial, non-financial and corporate information, as well as the communication with~~ shareholders and investors' ~~relations, including, proxy advisors and other interest groups.~~ Likewise, will be followed the way the Company communicates and relates with small- and medium-sized shareholders.

~~v. Assess all aspects related to non financial risks of the Company (including operating, technological, legal, social, environmental, political and reputational risks). vi. Coordinate non financial information and diversity reporting processes in accordance with applicable legislation and international benchmarks.~~

v. ~~vii.~~ Be apprised of, promote, guide and oversee the Company's performance regarding corporate reputation and report thereon to the Board of Directors or, where applicable, to the Executive Committee.

~~Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.~~

vi. ~~viii.~~ Report on, prior to its approval, the Company's annual governance report, obtaining for such purposes the reports from the Appointments and Remuneration Committee in relation to these sections of such report that are within their competence.

g. Other functions of the Committee:

- i. Oversee the calculation of fees received by the Management Company in the performance of its functions. ~~ii.~~
 - ii. Appoint and supervise the services of external appraisers in relation to the appraisal of the Company's assets.
4. The Audit and Control Committee will meet, ordinarily, on a quarterly basis, for the purpose of reviewing the regular financial information to be sent to the supervisory authorities, as well as the information that the Board of Directors has to approve and include in its annual public documentation. Likewise, the Committee will meet at the request of 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 proper performance of its functions.
5. The Audit and Control Committee will be validly held when a majority of its members are present or represented, and its resolutions will be approved by absolute majority of the votes of the members present or represented in the meeting. In the event of a tie, the Chairman of the Audit and Control Committee will have the deciding vote.
6. The Committee will produce minutes of its meetings, a copy of which will be sent to all members of the Board of Directors.
7. The Audit and Control Committee will establish annually an action plan that includes the Committee's main activities during the year in relation to the fulfilment of its functions.
8. The Audit and Control Committee will produce an annual report on its operations, which will be the basis for the evaluation by the Board of Directors, highlighting the main events that have occurred, if any, related to its functions. In addition, when the Audit and Control Committee considers it appropriate, it will include in this report proposals to improve the Company's rules of corporate governance. The Audit and Control Committee report will be available to shareholders and investors through the corporate web page with sufficient notice prior to the Ordinary General Shareholders' Meeting.
9. The Audit and Control Committee may call on any of the members of the Company's management or staff, and may order them to appear without the presence of any other manager. Those invited will be required to attend sessions of the Audit and Control Committee, to collaborate with it, and provide it with the respective information. The Committee may equally request assistance in its sessions from accounts auditors or other persons by invitation of the Chairman of the Committee.
10. For the best performance of its functions, the Audit and Control Committee will have sufficient resources and may call on the advice of external experts when it deems it necessary for proper compliance with its functions.

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 4 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.
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. 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. ~~iii. ——— 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.~~
 - ii. 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. In particular, will be established a representation goal for the less represented sex on the Board of Directors and will be provided guidelines on how to achieve such goal.
 - iii. Propose to the Board of Directors the policy of diversity of the Board of Directors and selection of directors. Likewise, will be drawn up the report referred to in article 5.6 of these Regulations and will be verified, annually.

compliance with the policy of diversity Board of Directors and selection of directors reporting on this in the Annual Corporate Governance Report.

- iv. 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.
 - v. 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.
 - vi. Verify periodically the Directors' category.
 - vii. 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 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. — 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.~~

~~5. — 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. Establish a representation goal for the less represented sex on the Board of Directors and provide guidelines on how to achieve such goal;~~

- ~~iv.~~ iv. ~~v-~~ Inform of the proposals of the Chairman of the Board of Directors or of the Chief Executive Officer, if any, 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. 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 senior executive of the Company, if any, and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way.
 - 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 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. 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.
 - ii. 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, if any, 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. Competences related to the withdrawal and termination of board members.
- i. Inform the Board of Directors about proposals for removal of non-independents 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. Submit to the Board of Directors the proposals of removal of independent members in the event of non-compliance with the duties inherent to the office of director or for having incurred in any of the circumstances of

resignation or dismissal, in compliance with the law or the Company's internal standards.

- 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 sharebased 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, if any, 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. 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 in environmental and social aspects.
- i. ~~Be aware of, promote, guide and supervise~~ Supervise the Company's action in ~~matters of corporate social responsibility and sustainability~~ environmental and social matters are in accordance with the established strategy and policy, 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. Evaluate and review periodically the Company's sustainability in environmental and social areas policy, in order to fulfil its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders, and supervising its degree of compliance.~~

iii. Supervise and evaluate processes for different interest groups.

h. Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.

i. ~~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. The Appointments and Remuneration Committee will meet, ordinarily, at least 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. 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 an absolute majority vote of the members present or represented at the meeting. In the event of a tie, the Chairman of the Appointments and Remuneration Committee will have the deciding vote.
7. The Committee will produce minutes of its meetings, a copy of which will be sent to all members of the Board of Directors.
8. The Committee should establish an annual work programme, covering the main activities during the year.
9. 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.
10. 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.

TITLE V.- OPERATING RULES OF THE BOARD

Article 16. Meetings of the Board of Directors

1. The Board of Directors will meet as often as is appropriate to properly carry out its functions, and at least eight times per year and in the cases specified by the dates and matters schedule set at the beginning of the fiscal year. Any director may propose other, initially unforeseen items to be included in the agenda, provided such request is made at least three days prior to the scheduled date of the meeting.
2. Likewise, the Board of Directors will meet at the initiative of the Chairman as many times as deemed appropriate by the latter for the proper operation of the Company, and also when requested in accordance with the provisions of the preceding article [913.24.a](#)).
3. Meetings of the Board of Directors will be called by the Secretary of the Board of Directors, or whoever acts in such capacity, with the authorisation of the Board Chairman, by any means that allow [to proof the](#) receipt of the call. The call will be issued at least three days in advance thereof. The call will always include the meeting agenda and will be accompanied by relevant information that is duly prepared and summarised.
4. The Chairman of the Board of Directors may call extraordinary meetings of the Board whenever the circumstances so justify in his judgement, to which the advance notice and other requirements specified in the previous section will not apply. Notwithstanding the foregoing, it will be ensured that any documentation that must be provided to the directors will be delivered sufficiently in advance thereof.
5. Notwithstanding the foregoing, the Board of Directors will be deemed validly constituted without the need for a call if all the members present or represented unanimously accept the holding of the meeting and the items to be covered in the agenda. Further, voting by the Board of Directors may be conducted in writing and without a meeting, provided no director objects thereto.
6. The Board of Directors meeting may be held at various places connected [to each other](#) by systems enabling the recognition and identification of the attendees, the uninterrupted communication between the participants regardless of where they are located, and their participation and voting, all in real time.

Meeting attendees will be deemed attendees of the same and only meeting for all purposes related to the Board of Directors, regardless of place of attendance. The meeting will be deemed held at the location with the highest number of directors, and in the event of a tie, at the location of the Chairman of the Board of Directors or in the absence thereof, of the presiding member.
7. The Chairman has the right to invite a representative of the Management Company to participate in the meetings held by the Board of Directors.
8. The Board will draw up an annual calendar of its ordinary meetings.

Article 17. Procedure of meetings

1. The Board will be validly constituted when ~~half plus one of~~ majority of its members are in attendance at the meeting, whether present or represented by another director.
2. The directors will do everything possible to attend the meetings of the Board. In the event they cannot personally attend out of necessity, they will grant a written, special power of attorney for each meeting to another member of the Board, including the appropriate instructions, and inform the Chairman of the Board of Directors of this fact by any means which provides proof of receipt.
3. The Chairman will organise and stimulate debate by seeking and promoting the active participation of all directors during Board meetings, safeguarding their freedom of expression and of opinion.
4. Except in cases where the law or the Articles of Association specifically establish other voting quorums, resolutions will be adopted by ~~an absolute~~ majority of the directors attending the meeting ~~-, a resolution shall be deemed adopted when it receives more than half of the votes in favour from the members present or represented at the meeting.~~ In the event of a tie, the Chairman shall have the casting vote.
5. Minutes will be drawn up of the meetings of the Board of Directors, which will be signed by at least the Chairman and Secretary or Deputy Secretary, qualified electronic signatures or advanced electronic signatures may be used and transcribed or implemented, in accordance with legal regulations, in a special book of minutes of the Board of Directors.
6. The minutes will be approved by the Board of Directors itself at the conclusion of the meeting or in a subsequent meeting, the minutes may be partially approved at the end of the meeting if this proves necessary for any reason. Likewise, the proposed minutes may be sent by the Secretary or the Deputy Secretary for approval by means of remote communication that allow the recognition and identification of the Board Members.

Article 18. Annual evaluation

1. The Board of Directors will conduct a comprehensive annual evaluation, and where appropriate on a proposal from the Appointments and Remuneration Committee, will adopt an action plan to correct deficiencies detected in respect of:
 - a. The quality and efficiency of the operation of the Board of Directors.
 - b. The operation and composition of its Committees.
 - c. The diversity in the composition and powers of the Board of Directors.
 - d. The performance of the Chairman of the Board of Directors and the chief executive officer of the company, as the case may be.
 - e. The performance and contributions of each director, paying special attention to the heads of the various Board Committees.

The results of the annual evaluation will be recorded in the meeting minutes or included as an annex thereto.

2. Evaluations of the various Committees will be based on the reports they submit to the Board of Directors, whereas an evaluation of the latter will be based on the report submitted by the Appointments and Remuneration Committee.
3. Every three years, in performing the evaluation the Board of Directors will be supported by an external consultant whose independence will be verified by the Appointments and Remuneration Committee.
4. The business relationships that the consultant or any company of its group maintain with the Company or any company of its group will be detailed in the annual corporate governance report.
5. The procedure and the departments evaluated will be described in the annual corporate governance report.
6. In the event that the Chairman of the Board of Directors exercises executive functions, the evaluation of this person will be directed by the independent director holding a special power of attorney in accordance with the provisions of article 13.4 above.

TITLE VI.- APPOINTMENT AND REMOVAL OF DIRECTORS

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 3/2015 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 [on official secondary markets](#) (apart from the Company) [in Spain or abroad](#).

Article 20. Appointment of outside directors

The Board of Directors will ensure the election of candidates who are persons of recognised solvency, competence, and experience, and must exercise the utmost rigour in relation to those persons called to fill the positions of independent director.

Article 21. Re-election of directors

The Board of Directors, prior to proposing the re-election of directors to the General Shareholders' Meeting, will evaluate the quality of the work and dedication to office of the proposed directors in the course of the previous term, with the abstention of the affected persons.

Article 22. Term of office

1. Directors will hold office for a term of three years, at the end of which they may be reelected one or more times for periods of the same maximum duration.
2. The appointment of directors will expire following the lapse of the term and upon the holding of the subsequent General Shareholders' Meeting or lapse of the legal term for the holding of the General Shareholders' Meeting that must resolve upon the approval of the annual accounts for the preceding fiscal year.
3. Directors appointed by co-optation will hold their offices until the holding of the first General Shareholders' Meeting following their appointment, and must depart office in the event that the aforementioned General Shareholders' Meeting does not ratify their appointment. However, if the vacancy arises once the General Shareholders' Meeting has been called and before it is held, the Board of Directors may appoint a director until the next General Shareholders' Meeting is held.
4. Independent directors will not remain in their roles for a continuous period exceeding 12 years.

Article 23. Termination of directors

1. Directors will be terminated upon lapse of the period for which they were appointed and when the General Shareholders' Meeting so decides pursuant to its authority conferred by law or the Articles of Association.
2. Directors will place their position at the disposal of the Board of Directors and formalise their resignation in the following cases, provided the Board deems it appropriate:
 - a. When they are terminated from the executive positions associated with their appointment as director.
 - b. When they become involved in any case of incompatibility, or prohibition under the law or the Articles of Association.
 - c. When they are seriously reprimanded by the Board of Directors for having breached their obligations as directors.
 - d. When their remaining on the Board may jeopardise or damage the interests, credit, or reputation of the Company, or upon the ceasing of the reasons for which they were appointed (for example, when a proprietary director disposes

of his ownership interest in the Company or reduces it in a significant manner, as indicated in point f) below.

- e. When sitting on more than four boards of directors of other listed companies (apart from the Company).
- f. In the case of proprietary directors (i) when the shareholder they represent sells its full shareholding or significantly reduces it, and (ii) when this shareholder reduces its shareholding in the corresponding number to a level that requires the reduction of the number of proprietary directors.

3. In the event that, by resignation ~~or for any other reason~~ or by resolution of the General Meeting, a director departs office prior to the end of his/her term, he/she must explain ~~the reasons~~ as sufficient as he/she can the reasons for the dismissal, or if non-executive directors, its opinion on the reasons for the General Meeting resolution therefore in a letter that he/she will send to all the members of the Board.

This will be reported in the annual corporate governance report. Likewise, insofar as it is relevant for investors, the Company shall publish the dismissal as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

4. The Board of Directors may propose the removal of an independent director only prior to the lapse of the statutory term upon the occurrence of just cause, as qualified by the Board of Directors. Specifically, just cause will be deemed to have occurred when the director occupy new positions or take on new obligations that prevent him from devoting the necessary time to the performance of the duties inherent to the position of director, has breached the duties inherent to his/her office, or has subsequently become involved in any of the cases of incompatibility described in the definition of independent director under the regulations in force, or in the absence thereof, under the recommendations of good corporate governance applicable to the Company at all times.

Article 24. Objectivity of voting

In accordance with the provisions of article 31 of these Regulations, the directors affected by proposals for appointment, re-election, or termination will refrain from participating in the deliberations and voting related thereto.

TITLE VII.- DIRECTORS' RIGHT TO INFORMATION

Article 25. Powers of information and inspection

1. Directors may request information on any matter within the authority of the Board of Directors, and in this regard may examine its books, records, documents, and other documentation. The right to information extends in all cases to the subsidiary Companies and when possible to the investees.
2. Requests for information will be addressed to the Secretary of the Board of Directors, who will forward them to the Chairman of the Board of Directors and the appropriate contact person within the Company.

3. The Secretary will advise the director of the confidential nature of the information requested and received, and of his/her duty of confidentiality in accordance with the provisions of these Regulations.
4. The Chairman may deny the information request if he/she deems: (i) that it is not necessary to the proper performance of the functions entrusted to the director, or (ii) that its cost is unreasonable in view of the importance of the problem and the assets and revenues of the Company.

Article 26. Expert support

1. In order to be assisted in the exercise of their functions, all directors may obtain from the Company the necessary advice for the performance thereof. The Company will determine the appropriate channels to this end, which in special circumstances may include external advisory services billable to the Company.

Such delegation must necessarily deal with concrete problems of a certain degree and complexity that arise in the performance of the position.

2. The decision to hire external advisory services billable to the Company will be communicated to the Chairman of the Company and may be vetoed by the Board of Directors if it proves:
 - a. That it is not necessary to the proper performance of the functions entrusted to the outside directors;
 - b. That its cost is unreasonable in view of the importance of the problem and the assets and revenues of the Company; or
 - c. That the technical support attained may be adequately provided by experts and technicians within the Company.

TITLE VIII.- REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Article 27. Directors' remuneration

1. The directors will be entitled to receive the remuneration set in the Articles of Association.
2. Subject to the limits set forth in the Articles of Association and in the remuneration policy, the Board of Directors will seek to ensure that the remuneration of the directors be reasonably proportionate to the value of the Company, its financial situation at any given time, and the market standards for comparable companies. The remuneration system established will be aimed at promoting the long-term profitability and sustainability of the eCompany and incorporating the necessary precautions to avoid excessive risk taking and the reward of unfavourable results.
3. Likewise, the Board of Directors will seek to ensure that the remuneration of the directors is sufficient to offer incentives to attract and retain directors of the desired

profile and remunerate the dedication, qualification, and responsibility required by the position, but not so high as to compromise the independence of judgement of nonexecutive directors.

4. Remuneration linked to the Company's results will take into account any qualifications stated in the auditor's report that reduce said results.

In the event of a correction to the annual accounts on which such remuneration was based, the Board of Directors will assess whether it is appropriate to settle or refund the payment of variable remuneration, in whole or in part.

5. Variable remuneration linked to the eCompany performance and individual performance, as well as remuneration through the delivery of shares, options, or rights over shares or instruments tied to the value of the share, and long-term savings schemes such as pension plans, retirement schemes, or other social welfare schemes, generally will be limited to executive directors.

Non-executive directors may participate in the remuneration schemes that entail delivery of shares when this is subject to the maintenance of the ownership of the shares while exercising a director position. The foregoing will not apply to the shares of which the director must dispose to satisfy the costs related to their acquisition, where applicable.

6. The remuneration policies will incorporate the limits and technical precautions necessary to ensure that variable remuneration maintains a relationship to the professional performance of the beneficiaries thereof, and does not derive exclusively from the general evolution of the markets or the sector of activity of the Company or other similar circumstances.
7. The Board of Directors will prepare an annual report on the remuneration of the directors subject to the terms established by the applicable regulations.

This report will be made available to shareholders on the occasion of the holding of the Annual General Meeting and will be subject to a consultative vote as a separate item on the agenda.

TITLE IX. - DIRECTORS' DUTIES

Article 28. ~~General directors' obligations~~ Duty of care

- ~~1. In the performance of their functions, directors will act with the care of a reasonable business person 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~~

1. Directors shall carry out their duties and duties imposed by law and by the Articles of Association with the diligence of an orderly businessman, taking into account the nature of the position and the functions attributed to them, and shall adopt the necessary measures for the good management and control of the Company.

2. ~~3.~~ 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 and advisory Committees to which they may belong;
- b. Attend meetings of the Board of Directors and actively participate in the deliberations so that their 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 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 ~~e~~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, these Regulations, or any other Company's internal rule 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 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.

3. ~~4.~~ 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. ~~5.~~

4. The duty of care shall be deemed to have been exercised when the director has acted in good faith, without any personal interest in the matter under consideration, with sufficient information and in accordance with an appropriate decision-making procedure.

Article 28 bis Duty of Loyalty

1. Directors shall carry out their duties with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company. Their actions will be guided solely by the corporate interest, seeking to reconcile it not only with the best defense and protection the interests of all shareholders, to whom their authority is owed and to whom they are accountable but also with, as appropriate, the legitimate interests of its employees, its suppliers, its clients and those of the other interest groups that may be affected, as well as the impact of the Company's activities on the community as a whole and on the environment.

In particular, the duty of loyalty obliges the director to:

- a. Not to exercise their powers for purposes other than those for which they have been granted.
- b. To keep secret the information, data, reports or records to which he has had access in the performance of his duties, even when he has ceased to hold them, except in cases where the Law allows or requires it, under the terms provided in Article 29 below.
- c. Refrain from participating in the deliberation and voting of agreements or decisions in which he or a related person has a direct or indirect conflict of interest. Agreements or decisions that affect him as a director, such as his appointment or revocation to positions on the Board of Directors or others of similar significance, shall be excluded from the above obligation to abstain.
- d. To carry out their functions under the principle of personal responsibility with freedom of judgement and independence from instructions and links to third parties.
- e. Adopt the necessary measures to avoid situations in which their interests, whether on their own account or on behalf of others, could come into conflict with the Company's interests and their duties towards the Company.

Article 29. Directors' duty of confidentiality

1. Directors will maintain the secrecy of the deliberations of the Board of Directors and of the delegated bodies and advisory Committees of which they are members, and generally will refrain from disclosing the information to which they have had access in the exercise of office.

2. The obligation of confidentiality will survive even the termination of office, with directors required to maintain the secrecy of confidential information and information, data, reports, or background facts learned as a result of the exercise of office. Such items cannot be reported to third parties or disclosed when doing so could harm the corporate interest. The duties referred to in this paragraph are not applicable in those cases whereby the laws permit communication or disclosure of the items to third parties, or if applicable, they are required or requested to be sent to the corresponding supervisory authorities, in which case the transfer of information will comply with legal provisions.

Article 30. Obligation of non-competition

1. Directors may not hold the position of manager or director in companies that are competitors of the Company, excluding positions they may occupy in Group companies or in the Management Company, unless expressly authorised by the Board of Directors on the basis of a report by the [Audit Appointment](#) and [Control Committee Retribution Committee](#) and without prejudice to the provisions of article 227 *et seq.* of the Spanish Corporate Enterprises Act.
2. Directors intending to provide professional services to entities that have a corporate purpose that is totally or partially analogous to that of the Company will previously disclose such purpose to the Board of Directors, which may reasonably deny its authorisation of such activity.
3. [The obligation not to compete with the Company may only be waived if no damage to the Company can be expected or if the expected benefit of the waiver outweighs the expected benefit. The dispensation shall be granted by express agreement separate from the General Meeting.](#)

[In any case, at the request of any shareholder, the General Shareholder's Meeting will decide on the removal of a director who carries out competitive activities when the risk of damage to the Company has become relevant.](#)

Article 31. Conflicts of interest

1. A conflict of interest will be deemed to exist in those situations wherein the interest of the Company or of the companies forming part of its group and the personal interest of the director directly or indirectly conflict. The director has a personal interest when the matter affects him/her or a person related to him/her, ~~or in the case of a proprietary director, if it affects the shareholder or shareholders who proposed or caused his/her appointment or persons directly or indirectly related to him/her.~~
2. For purposes of these Regulations, the following terms will have the meanings set forth below:
 - ~~i. Persons related to a natural person director:~~
 - i. A spouse or other person related by a like relationship of affection.

- ii. The ascendants, descendants, or siblings of the director or of the spouse (or person related by a like relationship of affection) of the director.
 - iii. The spouses of the ascendants, descendants, and siblings of the director.
 - iv. The Companies or entities in which the director or any related person, acting personally or through a nominee, falls within any of the situations envisaged by article 42 of the Spanish Commercial Code (*Código de Comercio*).
 - v. The Companies or entities in which the director or any related person, acting personally or through a nominee, exercises a managerial or leadership position or from which he/she receives remuneration for any reason.
 - vi. In the case of proprietary directors, this includes the shareholders at whose proposal their appointment was made.
- b. Persons related to a corporate director:
- i. Shareholders who, in respect of the corporate director, fall within any of the situations envisaged in article 42 of the Spanish Commercial Code.
 - ii. Companies that form part of the same group, as such term is defined by in article 42 of the Spanish Commercial Code, and the shareholders thereof.
 - iii. Individuals acting as a representative, managers (in fact or in law), liquidators, and representatives holding general powers of attorney granted by the corporate director.
 - iv. Those persons who, in respect of the representative of the legal entity acting as director, are deemed related persons pursuant to the provisions of this article applicable to corporate directors.

3. In particular, the directors should refrain from carrying out transactions with the Company (except for ordinary transactions, carried out under standard conditions for clients and of little relevance, understood as those whose information is not necessary to express a true and fair view of the Company's assets, financial situation and results).

4. ~~2. In any case, Directors will disclose the existence of conflicts of interest to the Board of Directors of the Company, and will refrain from acting as a representative of the Company in the transaction underlying the conflict, subject to the exceptions established under applicable law.~~ any conflict, direct or indirect, that he or persons linked to him may have with the interest of the Company

5. Situations of conflict of interest incurred by directors shall be disclosed in the notes to the annual accounts.

Article 32. Use of company assets

Directors may not use company assets ~~nor their position in the company to their economic advantage unless adequate consideration has been paid~~, including confidential information of the Company, for private purposes nor obtain advantages or remuneration from third parties other than the Company and its Group associated with the performance of their duties, except in the case of mere courtesy.

Likewise, directors may not use the name of the Company or invoke their status as a director to unduly influence the carrying out of private operations.

Article 33. Non-public information

Directors will observe the code of conduct established in the stock market regulations, and particularly the rules enshrined in the Company's Internal Code of Conduct in the Stock Markets in relation to the treatment of privileged information and relevant information.

Article 34. Business opportunities

1. Directors may not take advantage of a business opportunity of the Company to their own benefit or that of a related person under the terms established in article 31 of these Regulations, unless it is first offered to the company and it declines to pursue it.
2. For the purposes of the foregoing paragraph, a business opportunity will be understood as any possibility to execute an investment or commercial transaction that has arisen or was discovered in connection with the exercise of office by the director, or through the use of the resources and information of the Company, or under such circumstances that it is reasonable to conclude that the offer of the third party was in fact addressed to the Company.

Article 35. Indirect transactions

Directors are in breach of their duties of loyalty to the Company if with advance knowledge they allow or fail to disclose the existence of transactions performed by the persons linked to him specified in article 31 of these Regulations and that were not subject to the criteria and controls provided in the foregoing articles.

Article 36. Directors' duties of disclosure

1. Directors will disclose to the ~~Company~~ Board of Directors any shares thereof directly or indirectly held by ~~the~~ persons linked to him specified in article 31 of these Regulations, all in accordance with the provisions of the Company's Internal Code of Conduct in the Stock Markets.
2. Directors will also disclose to the ~~Company~~ Board of Directors any positions he/she holds on the Boards of Directors of other listed or not companies, as well as on other paid activities of whatever nature and generally the facts, circumstances, or situations that may be relevant to his/her service as manager of the Company in accordance with the provisions of these Regulations.

3. Likewise, directors will also disclose to the ~~Company any cases~~ Board of Directors when situations arise that affect them, related or not to their actions within the Company, that may damage the credit and reputation of the Company, and they will particularly inform the Board of any criminal cases in which they appear as ~~defendants,~~ investigated as well as of the ~~subsequent~~ procedural developments thereof.

~~In the event that a director is prosecuted or is named as defendant in an order to initiate oral proceedings for any of the offences indicated in article 213 of the Spanish Corporate Enterprises Act, the~~ The Board of Directors, having been informed of or otherwise become aware of the situations mentioned in the previous paragraph, will examine the case as soon as possible, and in view of its specific and, attending to the particular circumstances, will decide whether the director will continue in office, based on a report from the Appointments and Remunerations Committee, whether or not to adopt any measures such as opening an internal investigation, requesting the resignation of the director or proposing his removal to the General Shareholders' Meeting. This will be reported on in the annual corporate governance report, unless special circumstances justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company should disseminate, if appropriate, when the corresponding measures are adopted.

Article 37. Transactions with directors and significant shareholders

1. The Board of Directors, or in cases of urgency, the Executive Committee, if any, with the subsequent ratification of the Board of Directors following a report from the Audit and Control Committee, will have authority to authorise the execution by the Company of any transaction with directors or shareholders holding a significant ownership interest under the provisions of the securities market regulations ultimately applicable at any time, or if applicable, which have proposed the appointment of any of the directors of the Company, or with the respective related persons, with such persons understood to refer to those specified in article 31 of these Regulations.
2. The Audit and Control Committee, and the Board of Directors or the Executive Committee, if any, prior to authorising the Company to execute transactions of this nature, will evaluate the transaction from the perspective of the equal treatment of shareholders and market conditions.
3. The authorisation of the Board will not however be deemed necessary in related-party transactions concurrently meeting the following three criteria: (i) performed under contracts, the terms and conditions of which are standardised and applied *en masse* to a large number of customers; (ii) performed at generally established prices or rates generally set by whoever acts as supplier of the good or service in question; and (iii) for an amount not exceeding 1% of the annual revenues of the Company.
4. The generic authorisation of the Board of Directors will suffice for transactions within the ordinary course of company business and that are habitual or recurrent.

TITLE X.- INFORMATION POLICY AND RELATIONS OF THE BOARD

Article 38. Website

1. The Company will maintain the corporate website (www.larespana.com) to enable the shareholders' exercise of their right to information, and to disclose **relevant** information as required under securities law, which will include the documentation and information specified under the applicable regulations, including the information and documentation relating to the convening of General Shareholders' Meetings, as well as any other documentation and information that the Board of Directors deems appropriate to make available to the shareholders through this method.
2. It falls upon the Board of Directors to make available the information that will be incorporated into the corporate website of the Company so as to comply with the obligations imposed by the applicable regulations, ~~and~~ it will have an ongoing responsibility to update it per the provisions of the law in force.

Article 39. Relations with shareholders

1. The Board of Directors will determine the appropriate channels to hear proposals prepared by the shareholders in relation to the management of the Company.
2. The Board, through some of its members and with the collaboration of the members of senior management it deems pertinent, will be able to organise informational meetings about the progress of the Company and its **g**Group for the shareholders residing in the most relevant financial centres in Spain and abroad.
3. The Board of Directors will likewise establish adequate mechanisms for the regular exchange of information with the institutional investors that form part of the shareholding of the Company. Under no circumstances will the relations between the Board of Directors and the institutional shareholders result in the delivery to the latter of any information that could provide them with a privilege or advantage over the other shareholders.
- ~~4.~~ [The Board of Directors shall define and promote a policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors that fully respects the rules against market abuse and gives similar treatment to shareholders in the same position, including the policy of communicating economic-financial, non-financial and corporate information.](#)
[The Company shall make the aforementioned policy public through its website, including information on how it has been implemented, and will identify the partners or persons responsible for carrying it out.](#)
- ~~5.~~ [4.](#) Any public request for the delegation of votes made by the Board of Directors or by any of its members will justify the direction in which the representative will vote in case the shareholder does not provide instructions.

6. The Board of Directors will promote the informed participation of the shareholders in the General Meetings and will adopt any appropriate measures to enable the General Shareholders' Meeting to effectively exercise the functions inherent thereto in accordance with the law and the Articles of Association.

In particular, the Board of Directors will adopt the following measures:

- a. It will, in advance of General Shareholders' Meetings, endeavour to make available to the shareholders any information required pursuant to the law in force, as well as any information that may be of interest and reasonably provided, despite its disclosure not being required.
- b. It will with utmost diligence answer the requests for disclosure made by the shareholders in advance of General Shareholders' Meetings.
- c. It will equally diligently respond to the questions posed by the shareholders at the General Shareholders' Meeting.

Article 40. Relations with the markets

1. The Board of Directors, through disclosures of relevant facts to the Spanish National Securities Market Commission (CNMV) and on the corporate website, will immediately inform the public of all other relevant and privileged information in accordance with the terms of the regulations ultimately applicable to the circumstances at hand.
2. The Board of Directors will appoint one or more persons to act as authorised representatives before the National Securities Market Commission and will notify said Commission of such appointment in accordance with the provisions of the law in force.
3. The Board of Directors will adopt the necessary measures to ensure that the ~~quarterly~~, biannual, and any other financial disclosures reasonablyLaw required to be made available to the markets are prepared in accordance with the same principles, standards, and professional practices used to prepare the annual accounts, and that they carry the same reliability as the latter.
4. The Board of Directors will include information on the governance policy of the Company and the degree of compliance therewith in its annual public documentation.

Article 41. Relations with auditors

1. It falls upon the Audit and Control Committee to propose to the Board of Directors, for its subsequent submission to the General Shareholders' Meeting, the appointment (specifying the terms of engagement and the scope of professional authority), renewal, and revocation of the auditor of the annual accounts of the Company, and to supervise compliance with the audit contract in accordance with article 14 of these Regulations.
2. The Audit and Control Committee will refrain from proposing to the Board of Directors, and the latter will likewise refrain from submitting to the General

Shareholders' Meeting, the appointment as auditor of the Company of any auditor deemed precluded in accordance with audit regulations, as well as those companies whose fees expected to be billed to the Company, for all items, exceed 5% of its total revenues for the preceding fiscal year.

~~3. The Board of Directors will endeavour to finalise the annual accounts, in such a way as to preclude any reservations or qualifications by the auditor. In the exceptional cases in which they manifest, both the Chairman of the Audit and Control Committee and the external auditors will clearly explain the contents of said reservations or qualifications to the shareholders. However, when the Board deems that it must maintain its determination, then it will publicly explain the contents and scope of the discrepancy.~~

Article 42. Relations with senior management of the Company

The relations between the Board of Directors and the senior management of the Company, as provided in these Regulations, will necessarily be channelled through the Chairman of the Board of Directors or the CEO, as applicable, and in the absence of such persons, through the Secretary of the Board of Directors.

* * *



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 II

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Audit and Control Committee Regulations
of
Lar España Real Estate SOCIMI, S.A.

Madrid, 1~~2~~⁵ December 20~~19~~²⁰

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

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Article 1. Purpose

1. The Audit and Control 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 Corporations Act and in Article 42 of the Bylaws and Article 14 of the Company’s Board of Directors Regulations.
2. The purpose of these Audit and Control Committee Regulations, approved by the Company’s Board of Directors, is to establish the rules regarding the organisation and functioning of its Audit and Control 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 and taking into account the characteristics of the Company and its Group.
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 Audit and Control 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.
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 Audit and Control 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 Audit and Control Committee

1. The Board of Directors shall form an Audit and Control Committee, on a permanent basis, that will be composed by a minimum of three and a maximum of five directors appointed by the Board of Directors amongst the external or non-executive directors, the majority of which must be independent directors. The members of the Audit and Control Committee as a whole, and particularly its Chairman shall be appointed on the basis of their knowledge and background in accounting, audit and risk management, both financial and non-financial. Additionally, the Board will endeavour that they have knowledge and experience in other areas that may be appropriate for the Audit and Control Committee to fulfil its functions ~~as a whole~~, such as finance, internal control and information technologies.

Likewise, and without prejudice to endeavouring the promotion on diversity of gender and geographical origin, the Committee members, who will be appointed taking into account

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the necessary dedication to carry out the functions entrusted thereto, shall have, as a whole, the technical knowledge necessary in relation to the Company's business sector.

2. The members of the Audit and Control Committee shall perform their duties for a maximum period of three years and may be re-elected for one or more subsequent terms of equal length.
3. In any case, the Committee members shall be relieved of their duties once their tenure as a director ceases, or when agreed by the Board of Directors.

Article 4. Committee positions

1. The Board of Directors shall appoint the Chairman of the Committee from among the independent directors that form part thereof.

The position of Chairman shall be held for a maximum of three years, after which he may not be eligible for re-election as such until one year has elapsed since completing their term, without prejudice to their continuity or re-election as a Committee member.

2. The position of Secretary and Deputy Secretary of the Audit and Control Committee shall be held by the Secretary and by the 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 Audit and Control Committee

1. Without prejudice to any other tasks that may be assigned at any given time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:

a. With regard to the supervision of financial and non-financial information:

- i. Report to the General Shareholders' Meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the Committee in this process.
- ii. Supervise the process of preparing and submitting the required financial information and submit recommendations or proposals to the ~~managing body~~ Board of Directors aimed at safeguarding its integrity.
- iii. Oversee that the annual accounts the Board of Directors ~~endeavours to present the financial statements~~ presents to the General Shareholders' Meeting ~~without reservations or qualifications in the auditors' report. Should such reservations or qualifications exist, both~~ are drawn up in accordance to accounting legislation. However, in those cases where the auditors includes any qualification in its report, the Chairman of the Audit and Control Committee ~~and the auditors should clearly explain to the shareholders of the content and~~

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~~scope of such reservations or qualifications.~~ should give a clear explanation at the General Shareholders' Meeting of their opinion regarding the content and scope. Likewise, a summary of that opinion will be available to the shareholders at the time of the publication of the notice of the General Shareholders' Meeting.

- iv. Give the Board of Directors prior notice of any financial information and the management report, including, where appropriate, the required non-financial information that the Company, ~~as a listed company~~, is obliged to publish periodically. The Audit and Control Committee must ensure that the half-yearly financial reports and the interim management reports are drawn up in accordance with the same accounting policies as the annual financial statements and, to this end, may ask the external auditor to conduct a limited review of the half-yearly financial reports.

b. With regard to the supervision of internal control and reporting systems:

- i. Supervise and evaluate the preparation and the integrity of the financial and non-financial information prepared on the Company and, where appropriate, the Group, checking the fulfilment of legal provisions, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles and, in particular, know, understand and monitor the effectiveness of the internal control over financial reporting system (ICFR).

- ii. Supervise on a regular basis the effectiveness of the internal control of the Company and its Group as well as the activities of the Company's internal audit function, discussing, together with the auditors, any significant weaknesses in the internal control system detected in the audit, and drawing conclusions on the system's level of accuracy and reliability, all without diminishing its independence. To this effect, and where applicable, the Committee shall submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.

iii. Ensure in general that the policies and systems established for internal control are effectively implemented in practice.

- iv. ~~iii.~~ Supervise the unit that assumes the internal audit function, which shall oversee the proper functioning of the reporting and internal control systems and will report functionally to the Chairman of the Audit and Control Committee and, in particular: (a) monitor the independence and effectiveness of the internal audit function; (b) propose the selection, appointment, ~~re-election~~ and removal of the head of the internal audit unit; (c) propose the unit's budget; (d) approve its priorities and the annual internal audit work plans, ensuring that it's activity focuses primarily on the main ~~risks to which the Company is exposed~~ risks (including reputational ones); (e) receive regular reports on its activities; (g) verify that senior management take into account the findings and recommendations of its reports; and (g) assess, on an annual basis, the functioning of the internal audit unit as well as the performance of

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its functions by its head, whereby the opinion of executive management shall be sought out for such purposes.

The head of the internal audit unit should present an annual work plan to the Committee; will report on its implementation, including any possible incidents and scope limitations arising during its implementation; and as well as the results and monitoring of its recommendations, and will submit an activities' report at the end of each year.

- v. ~~iv.~~ Establish and monitor a mechanism whereby employees and ~~any third-party can report, in a confidential or, if appropriate, anonymous manner, other persons related to the Company, such as directors, shareholders, suppliers, contractors and subcontractors can report~~ any potentially significant irregularities within the Company, ~~particularly of a or its Group, including financial and accounting irregularities, or those of any other~~ nature, receiving regular reports on its functioning and proposing any actions deemed appropriate to improve the mechanism and reduce the risk of irregularities in the future. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

c. With regard to the external auditor:

- i. Submit to the Board the proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process, in accordance with that set forth in applicable legislation, as well as the contracting conditions, and for such purpose it must:
- 1º. determine the process of selection of the auditor; and
 - 2º. issue a reasoned proposal that shall contain a minimum of two alternatives for selecting the auditor, unless the same auditor is being re-elected.
- ii. Receive regular information from the external auditor on the audit plan and on the results of its implementation, and check that senior management is acting on its recommendations.
- iii. Establish the proper relationships with auditors to receive information on any matters that may threatened their independence, in particular any discrepancies that may arise between the auditor and the Company's management, for examination by the Audit and Control Committee, and any other matters related to the audit process and, where applicable, the authorisation of the services other than those prohibited, under the terms envisaged in applicable legislation, as well as other notices envisaged in audit legislation and other audit regulations.

In any event, written confirmation on its independence with respect to the Company or entities directly or indirectly connected thereto must be received,

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on an annual basis, from the external auditor, as well as detailed and individual information on any type of additional services provided and the related fees received from these entities by the external auditor or by persons or entities related to the auditor, pursuant to the applicable accounting legislation.

- iv. Issue an annual report, prior to the issue of the auditors' report, containing an opinion on whether the independence of the auditors or audit companies has been compromised, which will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting. Such report shall, in all cases, contain the reasoned evaluation of the provision of each of the additional services mentioned in the section above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.
 - v. Preserve the independence of the external auditor in the performance of its duties and, for such purpose: (i) ensure that the Company notifies through the Spanish National Stock Market Commission ~~as a Significant Event~~ any change of auditor, accompanied by a statement of any possible disagreements arising with the outgoing auditor and, if any, of its content; (ii) ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services and, in general, other requirements designated to safeguard auditors' independence; and (iii), in the event of auditor's resignation, examine the reasons thereto.
 - vi. In the case of groups, the Committee should favour that the Group auditor takes on the auditing of all companies of the Group.
 - vii. Ensure that the remuneration of the external auditor does not compromise its quality or independence.
 - viii. Ensure that the external auditor has an annual meeting with the Board of Directors in plenary session to inform it on the work undertaken and developments in the Company's risk and accounting positions.
 - ix. Carry out a final assessment regarding the auditor's performance and how it contributed to the quality of the audit and the integrity of the financial information.
- d. With regard to the supervision of risk management and control:
- i. Supervise and evaluate the effectiveness of the risk ~~management systems and control management systems including financial and non-financial relative to the Company or, where appropriate, to the Group (including operating, technological, legal, social, environmental, political and reputational or those related to corruption)~~ and, in particular, review these systems in order for the main risks being properly identified, managed and disclosed.

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- ii. Supervise the internal risk management and control function.
 - iii. In relation to the risk policy and risk management, identify or determinate, at least: (i) the different types of risk (operating, technological, financial, legal, reputational, including those related to corruption) to which the Company is exposed, including financial or economic risks of contingent liabilities and other off-balance sheet risks; (ii) ~~the determination of the risk levels~~ a risk control and management model based on different levels (iii) the level of risk that the Company deems acceptable; (iiiiv) the measures in place to mitigate the impact of the identified risks, should they occur; and (ivv) the internal reporting and control systems to be applied to control and manage the aforementioned risks, including contingent liabilities and off-balance risks.
 - iv. Reassess, at least on an annual basis, the list of most significant financial and non-financial risks and assess their level of tolerance, proposing any adjustments to the Board of Directors, where applicable.
 - v. Hold a meeting, at least on an annual basis, with the senior managers of the business units to explain the business trends and associated risks.
- e. With regard to the obligations of listed companies:
- i. Report to the Board of Directors, prior to the Board passing the related resolutions on the following:
 - (a) ~~i.—The incorporation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group. Related transactions, as they are defined by the legislation applicable at any given time.—~~
 - (b) The economic conditions, the accounting impact and, where applicable, the impact on the exchange ratio of the structural changes and corporate transactions that the Company plans to carry out.
 - (c) Any amendment to the internal code of conduct.
 - ii. ~~With regard to~~ Inform about related transactions, ~~the to be approved by the General Shareholders' Meeting or the Board of Directors.~~
The annual report issued, where applicable, by the Audit and Control Committee on related transactions will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.

~~The economic conditions, the accounting impact and, where applicable, the impact on the exchange ratio of the structural changes and corporate transactions that the Company plans to carry out.~~

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~~(a) Any amendment to the internal code of conduct.~~

- f. With regard to the supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct:
- i. Monitor compliance with legal requirements and the Company's internal governance regulations, ~~including and the~~ internal codes of conduct, ensuring that the corporate culture is aligned with its purpose and values.
 - ii. Regularly review the Company's internal governance regulations and propose to the Board of Directors, for approval or submission at the General Shareholders' Meeting, as the case may be, any amendments and updates that contribute to its development and ongoing improvement.
 - iii. Promote the Company's corporate governance strategy and regularly evaluate ~~the effectiveness of~~ and review the Company's governance system, to confirm that it is fulfilling its mission to promote the corporate interest and takes into account, as appropriate, to the legitimate interests of remaining stakeholders.
 - iv. Supervise the general policy relative to the communication ~~strategy and of economic-financial, non-financial and corporate information, as well as the communication with~~ shareholders and investors' ~~relations, including, proxy advisors and other interest groups. Likewise, will be followed the way the Company communicates and relates with~~ small- and medium-sized shareholders.~~.~~
 - ~~v. — Assess all aspects related to non-financial risks of the Company (including operational, technological, legal, social, environmental, political and reputational risks).~~
 - ~~vi. Coordinate non-financial information and diversity reporting processes in accordance with applicable legislation and international benchmarks.~~
 - v. ~~vii.~~ Be apprised of, promote, guide and supervise the Company's performance regarding corporate reputation and report thereon to the Board of Directors or, where applicable, to the Executive Committee.
 - ~~viii. — Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.~~
 - vi. ~~ix.~~ Report on, prior to its approval, the Company's annual governance report, obtaining for such purposes the reports from the Appointments and Remuneration Committee in relation to these sections of such report that are within their competence.
- g. Other functions of the Committee:
- i. Supervise the calculation of fees received by the Management Company in the performance of its functions. ii. Appoint and supervise the

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- services of external appraisers in relation to the appraisal of the Company's assets.
- iii. Any other general or specific reporting function and proposal commissioned by the Board of Directors.
 - iv. Any other competence or function attributed by law, the Bylaws or the Board Regulations.
2. In carrying out and performing its functions, the Audit and Control Committee must take into account the principles and criteria established in the CNMV Technical Guide 3/2017, on audit committees, of 27 June 2017, without prejudice to its adjustment to the particular circumstances and characteristics of the Company and its Group.
 3. The Audit and Control Committee shall establish annually an action plan which shall contemplate the main activities of the Committee during the financial year in relation to the fulfilment of its functions, to 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 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 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.

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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 meetings shall be deemed to have been held where the highest number of directors is present and, in the event of a tie, at the registered office. 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.

Article 8. Convening of meetings and adoption of resolutions

1. The Audit and Control Committee shall be validly convened when the majority of its members are present, in person or represented, adopting resolutions by an absolute majority of those present or represented. The Chairman of the Audit and Control Committee shall have the casting vote in the event of a tie.

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2. Audit and Control 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 Audit and Control 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. [qualified electronic signatures or advanced electronic signatures may be used.](#)
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 Audit and Control 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.
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.

Article 11. Means and resources

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

Article 12. Relationships of the Audit and Control Committee with the Board, the external auditor and the internal auditor

1. The Audit and Control 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) Company's management, in particular, corporate management and financial management;
 - b) the head of internal audit; and
 - c) the main auditor responsible for the audit.

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2. In any event, communication between the Audit and Control Committee and the external auditor must be fluid, continuous and in accordance with the regulations governing audit activities, and must not compromise the auditor's independence or the effectiveness with which the audit is carried out or the audit processes are conducted.
3. The Committee shall report the business transacted and account for the work performed at the first plenary session of the Board of Directors subsequent to its meetings.
4. The Chairman of the Committee shall act as the spokesperson at the Board of Directors meetings and, where applicable, at the Company's General Shareholders' Meeting.

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ANNEX III

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

Madrid, 1~~2~~⁵ December 20~~19~~²⁰

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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 the members, as a whole, are appointed taking into account their knowledge of and

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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.

3. 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 Committe 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~~ 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,

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- that might impede the selection of women. In particular, will be established a representation goal for the less represented sex on the Board of Directors and ~~provide~~will be provided guidelines on how to achieve such goal.
- iii. ~~p~~Proposing to the Board the directors' diversity policy ~~based, among others, on criteria related to age, disability, knowledge, professional experience and gender. and member selection. Likewise, will be Drawn up the report referred to article 5.6 of the Regulations of the Board of Directors and will be verified, annually, compliance with the policy of diversity Board of Directors and selection of directors, reporting on this in the Annual Corporate Governance Report.~~
- iv. 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.
- v. 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.
- vi. ~~iv.~~ Verify periodically the Directors' category.
- vii. ~~v.~~ 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.
- ~~vi. — Draw up the report referred to 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.~~

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- ~~vii. 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. ~~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.~~ Inform of the proposals of the Chairman of the Board of Directors or from the CEO, if any, for the appointment and removal of senior managers.
- 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, if any, 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 nonexecutive 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.

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- 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, if any, 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. 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 polity 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, if any, related to the

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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 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. Competence related to ~~corporate social responsibility and~~ sustainability in environmental and social aspects
- i. ~~Be aware of, promote, guide and supervise~~ Supervise the Company's action in ~~matters of corporate social responsibility and sustainability and~~ environmental and social matters are in accordance with the established strategy and policy, and report on them to the Board of Directors or, as applicable, to the Executive Committee.
 - ii. ~~Review the Company's corporate social responsibility ensuring it is geared towards creating value, including the monitoring and evaluation of the same and supervising 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. Supervise and evaluate processes for different interest groups.~~ Evaluate and review periodically the Company's sustainability in environmental and social areas policy, in order to fulfil its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of different stakeholders, and supervising its degree of compliance.

Environmental and social sustainability policies should identify and include, at least: (i) the principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts; (ii) the methods or systems for monitoring compliance with policies, associated risks and their management (iii) the mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct; (iv) channels for stakeholders

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communication, participation and dialogue; and (v) responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

iii. Supervise and evaluate processes for different interest groups.

h. Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.

i. 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 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.

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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 meeting shall be deemed to have been held where the highest number of directors is present and, in the event of a tie, at the registered office. 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 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.

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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 an absolute majority of votes of the members present or represented at the meeting. 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, qualified electronic signatures or advanced electronic signatures may be used.
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.
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.

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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 non-executive director may approach the committee to propose candidates that it might consider suitable to cover vacancies on the Board.

* * *



Report by the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. in connection with the amendment of the Articles of Association



Report by the Board of Directors of LAR ESPAÑA REAL STATE SOCIMI, S.A. in connection with the amendment of the Articles of Association

I. INTRODUCTION AND REPORT OBJECT

- On 26 June 2020 the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) published the **partial reform of the Good Governance Code for Listed Companies ("CBG")**, which updates and adapts several Recommendations of the CBG to various legal amendments approved since its publication and clarifies the scope of others; it also introduces relevant innovations in areas such as diversity on Boards of Directors, information and non-financial risks, attention to sustainability aspects in environmental, social and corporate governance matters and clarification of aspects relating to directors' remuneration, among others.
- In turn, it has been taken into account that on 12 October 2020, **Circular 1/2020, of 6 October, of the National Securities Market Commission (CNMV)** was published in the Official State Gazette (BOE), amending the Annual Corporate Governance Report ("**ACGR**") and the Annual Report on Directors' Remuneration models, whose **transitional provision** establishes, in relation to the CBG Recommendations amended in June, the adaptation of the corporate texts and/or policies affected in order to consider them fully complied with in the ACGR corresponding to financial year 2020 or, if necessary, the adaptation of the Articles of Association or the Regulations of the General Shareholders' Meeting.
- The reform was also used as an opportunity to propose **certain technical and coordination improvements** to certain articles of the Articles of Association, as well as to the Regulations of the General Shareholders' Meeting and the Regulations of the Board of Directors.
- Accordingly, this Report is drawn up by the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (the "**Company**") in compliance with the provisions of article 286 of the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July ("**LSC**"), which requires the preparation of a written report justifying the reasons for the proposed amendment of the Articles of Association submitted for approval by the Ordinary General Shareholders' Meeting, in order to explain:
 - the **amendment** of current articles 3 ("Registered address and corporate website"), 15 ("Capital reduction"), 16 ("Bond issuance"), 19 ("Governing bodies"), 20 ("General Shareholders' Meeting"), 21 ("Kinds of General Meetings of shareholders"), 22 ("Call of General Meetings of shareholders"), 24 ("Constitution"), 26 ("Equal treatment"), 27 ("Attendance, representation and disclosure rights of shareholders"), 28 ("Absentee voting"), 30 ("Deliberation and adaptation of resolutions"), 32 ("Board of Directors"), 33 ("Powers of the Board of Directors"), 34



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(“Composition of the Board of Directors”), 35 (“Term of office”), 38 (“Board of Directors Meetings”), 39 (“Conduct of meetings”), 40 (“Remuneration of directors”), 41 (“Delegated and Advisory Bodies of the Board of Directors”), 42 (“Audit and Control Committee. Composition, authority and functioning”), 43 (“Appointments and Remuneration Committee”), 44 (“Financial year and preparation of the financial statements”), 46 (“Approval of financial statements and application of profits”) and 50 (“Liquidation”) of the Articles of Association;

- the **incorporation** of the new article 25 (“Attendance at the General Meeting by telematic means”); as well as
- the **elimination** of the current article 25 (“Universal General Meeting”) of the Articles of Association.

II. GENERAL JUSTIFICATION OF THE PROPOSAL

a) Amendments resulting from the partial reform of the Good Governance Code for listed companies in June 2020:

- It is proposed to incorporate a **new article 25 (“Attendance at the General Meeting by telematic means”)** into the Articles of Association, for the purpose of incorporating **Recommendation 7 of the CBG**, which aims to encourage the participation of shareholders in General Meetings as much as possible. Likewise, the current health alert situation arising from the Covid-19 pandemic has highlighted the importance of the board of directors of listed companies being able to enable shareholders and their proxies to attend general meetings by telematic means, in accordance with the provisions of current articles 182 and 521 of the LSC.
- It is proposed to amend article 28 (“Absentee voting”) in order to **extend its content also to the granting of proxies by remote means of communication**, expressly including that both the vote and the proxy may be granted by **electronic correspondence**, guaranteeing *“the security of electronic communications”*, in accordance with the provisions of articles 189, 521 and 522 of the LSC. In this way, the Articles of Association would be fully adapted to **Recommendation 7 of the GBC** as amended in June 2020.

In this connection, it is proposed to replace the current heading with “Casting of votes and granting of representation by remote means of communication prior to the General Meeting”.

In addition, it is expressly incorporated that *“the Board of Directors may reduce the period of notice set forth in the preceding paragraph for the receipt by the Company of votes issued and delegations granted”*, it is specified that personal attendance *“either physically or telematically”* at the General Meeting by the shareholder shall

have the effect of revoking the vote cast or the proxy granted by remote means of communication and it is included in this article that shareholders who cast their vote remotely shall be deemed to be present, whereby *"delegations issued earlier shall be deemed to have been revoked and those issued later shall be deemed not to have been made"*.

- It is proposed to include in section 2 of article 41 ("Delegated and Advisory Bodies of the Board of Directors ") a reference to the **possibility of the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee having specific Regulations**, as is currently the case, in accordance with the provisions of CNMV Technical Guides 3/2017 on audit committees and 1/2019 of the CNMV on appointments and remuneration committees.
- It is proposed to modify article 42 ("**Audit and Control Committee. Composition, authority and functioning**"), to the effect that:
 - **To complete the composition of the Committee** (section 1) as regards the expertise of the members of the Committee *"as a whole"* in risk management *"both financial and non-financial"*, in accordance with Recommendation 39 of the CBG, and also including that *"the Committee members, shall have, as a whole, the technical knowledge necessary in relation to the Company's business sector"*, in accordance with article 529 quaterdecies.1 of the LSC.
 - As regards **competences** (section 2), the functions of the Committee are rearranged and completed, in accordance with article 529 quaterdecies.4 of the LSC, in addition to incorporating specific references to certain functions envisaged in Recommendations 42.1.a) and 53 (*"supervise compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct"*) of the CBG, given their importance for adequately reflecting the scope of the Committee's competences.
 - With regard to the **functioning** of the Commission, it is proposed to replace *"half plus one"* with *"majority"* as regards the quorum for the constitution of meetings, establishing that agreements will be adopted by *"absolute"* majority, in coordination with the provisions of the current Board Regulation.
- It is proposed to amend article 43 ("**Appointments and Remuneration Committee**") to the effect that:
 - With regard to its **competences**, the function of *"evaluating and reviewing periodically the environmental and social sustainability policy and monitor the Company's environmental and social practices"* (in accordance with Recommendation 53 and 54 of the GBC) is incorporated in a new letter h),



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given its importance in order to adequately reflect the scope of the Committee's competences, as well as introducing a drafting precision in letter g) above.

- As regards the **functioning** of the Committee, a new section 3 expressly provides that *"it shall be validly convened when the majority of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by an absolute majority vote. In the event of a tie, the Chairman will have a casting vote"*, in line with the provisions in this respect for the Audit and Control Committee.
- It is also **proposed to change the name of the current Appointments and Remuneration Committee to "Appointments, Remuneration and Sustainability Committee"** (which affects articles 40, 41 and 43), in order to bring together under this name the three main areas of competence of the Committee.

b) Technical amendments:

- It is proposed to delete from section 4 of article 3 ("Registered address and corporate website") the reference to the *"remove"* of the Company's corporate website, since listed companies must necessarily have a website in accordance with article 11 bis.1 of the LSC.
- It is proposed to complete article 15 ("Capital Reduction") to incorporate the possibility for the General Meeting to delegate to the Board to determine the date of execution of the reduction resolution and to set the conditions thereof in all matters not provided for by the General Meeting, as well as to cancel a reduction approved by the General Meeting for reasons of corporate interest, all in accordance with the criteria accepted by the Mercantile Register, for the purpose of expressly covering it in the Articles of Association.
- It is proposed to supplement Article 16.1 ("Bond issuance") with a reference to *"debentures giving the debenture holders a share in the Company's profits"*, in accordance with the provisions of Article 406.2 of the LSC.
- It is proposed to amend article 19 ("Governing Bodies") to expressly state that the powers that have not been attributed to the General Meeting by law, the Articles of Association *"or the Regulations of the General Meeting of Shareholders"* correspond to the Board of Directors, eliminating the reference to the Regulations of the General Meeting and of the Board to avoid repetition, given that they are already included in other articles of the Articles of Association.
- It is proposed to complete section 2 of article 20 ("General Meeting of Shareholders") to include a reference to the fact that the General Meeting is



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governed, in addition to the applicable regulations, the Articles of Association and the Regulations of the General Meeting, by "*such other implementing rules as may be adopted by the Board of Directors with the scope of its powers*", in order to give express statutory coverage to the development of rules relating to the General Meeting such as the operating rules of the Electronic Shareholders' Forum or the specific rules for voting and delegation by remote means of communication, among others.

- It is proposed to amend article 21 ("Kinds of General Meetings of shareholders") to:
 - (i) adapt the wording of section 2 to the wording of article 164.1 of the LSC; (ii) incorporate that Ordinary Meetings shall deal with "*other legally enforceable matters*" (such as, for example, the annual report on directors' remuneration); and (iii) eliminate from section 3 the provisions regarding the calling of the Meeting by the minority, since this is already regulated in article 22 of the Articles of Association.
- It is proposed to delete paragraph 2 of Article 24 ("Constitution"), the provisions of which (shareholders voting remotely are considered as present) are transferred to Article 28 of the Articles of Association for systematic reasons.
- It is proposed to delete the current Article 25 ("Universal General Meeting") since it is highly unlikely that this circumstance could arise in a listed company, without prejudice to the fact that, in any case, the provisions of Article 178 of the LSC are applicable, even if they are not expressly included in the Articles of Association.
- It is proposed to complete article 26 ("Equal treatment") in the terms set forth in article 514 of the LSC, as amended by Law 11/2018 of 28 December, in relation to the fact that the Company "*should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote*".
- It is proposed to amend article 27 ("Attendance, representation and disclosure of shareholders") to complete the requirements for the right of attendance in section 1, expressly stating that shareholders of the Company, regardless of the number of shares they hold, shall have the right to attend General Meetings "*provided that they are registered in its name in the relevant book-entry register at least five days before the General Meeting of Shareholders is to be held*", as currently provided for in the Regulations of the General Meeting of Shareholders, and to specify in section 3 that the General Meeting of Shareholders may revoke this authorisation with respect to those invited to the meeting by the Chairman in the cases envisaged in article 181.2 of the LSC.
- It is proposed to complete section 1 of article 30 ("Deliberation and adoption of resolutions") by including that the Chairman shall submit to the General Meeting, in addition to the items included on the agenda, "*where appropriate, any matters not*



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included in the agenda that may have been submitted in accordance with the Law ", and to amend section 4 of said article by specifying that resolutions shall be adopted by a *"simple majority of the votes of the shareholders"* present or represented at the General Meeting, in accordance with the provisions of article 201. 1 of the LSC and in coordination with the provisions of the Regulations of the General Meeting.

- It is proposed to complete section 2 of article 32 ("Board of Directors") to the effect that the General Meeting shall be informed of the *"modification"* of the Board Regulations, in accordance with article 528 of the LSC.
- It is proposed to amend article 33 ("Powers of the Board of Directors") to expressly state that the Board is competent to adopt resolutions on all kinds of matters that have not been attributed to the General Meeting by the applicable regulations, the Articles of Association *"or by the General shareholders' Meeting Regulations"* and to develop the separation of strategic and supervisory functions that correspond to the Board and those of the ordinary management of the executive line, also introducing the reference to the Group.
- It is proposed to complete article 34 ("Composition of the Board of Directors") by establishing that *"persons who are not subject to any of the prohibitions or causes of incompatibility established by Law may be directors of the Company"*, incorporating a summary reference to the causes of prohibition or incompatibility established by law (article 213 of the LSC) given the importance of this matter, without prejudice to also incorporating some precision in the wording of the article.
- It is proposed to introduce the following drafting clarifications to Article 38 ("Board of Directors Meetings"): (i) section 2 provides that notice of Board meetings shall be given by any means that allows *"accreditation"* of its receipt; and (ii) paragraph 5, in relation to board meetings by remote means of communication, provides that the board may be held in several places connected *"to each other"* by remote means of communication and that the meeting *"shall be construed as held in the location where most of the board members are located and, in the event of a tie, in the registered address"*.
- It is proposed to amend article 39 ("Conduct of meetings"), replacing in section 1 *"half plus one"* with *"majority"* as regards the constitution of Board meetings, in accordance with the provisions of article 247.2 of the LSC, and incorporating that delegations to another member of the Board shall be communicated to the Chairman *"by any means which provides proof of receipt"*, all in coordination with the provisions of the current Board Regulations.

In addition, it is proposed to complete section 2 by indicating what is meant by absolute majority (*"a resolution shall be deemed to be adopted when it receives more than half of the votes in favour of the members present or represented at the*



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meeting") and section 3 also completes the provisions relating to the minutes of Board meetings, all in coordination with the provisions of the current Regulations of the Board of Directors.

- It is proposed to amend article 40 ("Remuneration of directors") in order to incorporate certain technical or drafting clarifications, in accordance with articles 217.2, 529 septdecies.1 and 529 octodecies.1 of the LSC, without modifying the substantive regime currently in force. In addition, it is expressly incorporated that *"The Company shall take out civil liability insurance for its directors"*, as is already included in the current Directors' Remuneration Policy.

In addition, it is proposed to provide that the determination of directors' remuneration shall be the responsibility of the Board of Directors *"at the proposal of the Appointments, Remuneration and Sustainability Committee"*, in accordance with the powers attributed to this Committee in the Board Regulations.

- It is proposed to incorporate a technical clarification in article 41 ("Delegated and Advisory Bodies of the Board of Directors"), eliminating from section 3 the clause *"notwithstanding the power to confer upon them certain decision-making powers in exceptional cases"*, given that the consultative and advisory committees, by their nature, cannot have delegated powers.
- It is proposed to complete section 2 of article 44 ("Financial year and preparation of the annual accounts") with a reference to the fact that the management report *"including where appropriate the non-financial information statement"*, in accordance with article 253 of the LSC, as amended by Law 11/2018 of 28 December.
- It is proposed to expressly include in section 6 of article 46 ("Approval of financial statements and application of profits") that the Board of Directors, in the case of interim dividends, may also resolve that the dividend be paid in whole or in part in kind, in accordance with the case law of recent years, which requires this to be expressly stated in the Articles of Association.
- It is proposed to amend article 2, section 50 ("Liquidation") to remove the requirement that the number of liquidators appointed by the General Meeting must necessarily be an odd number, in accordance with the provisions of the current article 376 of the LSC.
- Lastly, specific drafting clarifications are included in articles 22 ("Call of General Meetings of shareholders"), 35 ("Term of office") and 50 ("Liquidation").

III. SEPARATE VOTES BY SUBJECT

In relation to the proposed amendment of the Articles of Association submitted for approval by the Ordinary General Meeting of Shareholders, a separate vote shall be taken on each article or



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group of articles that have their own autonomy, in accordance with the provisions of article 197 bis of the LSC.

IV. ANNEX

In order to provide a detailed explanation of each of the proposed amendments to the Articles of Association, the text comparing the current Articles of Association and the proposed amendment thereto is annexed as an **Annex** to this report.

ANNEX

Proposed amendment to the Articles of Association of Lar España Real Estate SOCIMI, S.A.



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ITEM EIGHT ON THE AGENDA

Approval, if appropriate, of the amendments to the Articles of Association

RESOLUTION

Following the mandatory report from the Board of Directors, approve the amendments to the following articles of the Articles of Association: article 3 (Registered address and corporate website), article 15 (Capital reduction), article 16 (Bond issuance), article 19 (Governing bodies), article 20 (General Shareholders' Meeting), article 21 (Kinds of General Meetings of shareholders), article 22 (Call of General Meetings of shareholders), article 24 (Constitution), article 25 (Attendance at the General Meeting by telematic means), article 26 (Equal treatment), article 27 (Attendance, representation and disclosure rights of shareholders), article 28 (Casting of votes and granting of representation by remote means of communication prior to the General Meeting), article 30 (Deliberation and adaptation of resolutions), article 32 (Board of Directors), article 33 (Powers of the Board of Directors), article 34 (Composition of the Board of Directors), article 35 (Term of office), article 38 (Board of Directors Meetings), article 39 (Conduct of meetings), article 40 (Remuneration of directors), article 41 (Delegated and Advisory Bodies of the Board of Directors), article 42 (Audit and Control Committee. Composition, authority and functioning), article 43 (Appointments, Remuneration and Sustainability Committee), article 44 (Financial year and preparation of the financial statements), article 46 (Approval of financial statements and application of profits), article 50 (Liquidation).

The main purpose of these amendments is to incorporate certain improvements on corporate governance matters that derive from the latest update to the Good Governance Code of Listed Companies, approved on June 26, 2020, and that must be reflected in the Articles of Associations, as well as the purpose of incorporating certain technical improvements.

The referred articles of the Articles of Association will be submitted to vote in the following groups of articles:

8.1 Amendments regarding the registered address of the Company and its corporate website

"Article 3. - Registered address and corporate website

1. The registered address is established at Calle Rosario Pino 14-16, Madrid, where the actual administration and management offices of the Company will be located.

2. The Board of Directors can change the company's registered address within national territory, and it may also establish, close or move commercial or administrative offices, storehouses, agencies, representations, delegations or branches in any location in Spain or abroad.

3. The Company shall have a corporate website (www.larespana.com) operating under the terms of the Spanish Companies Law, which shall be registered at the Trade Registry. This corporate website shall publish any documents that must by law be disclosed, these Articles of Association and any other internal rules, in addition to any information deemed appropriate to be made available to shareholders and investors through this medium.



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4. *The Board of Directors shall have the power to modify and move the Company's corporate website."*

8.2 Amendments regarding shares capital decreases and the issue of bonds

"Article 15. – Capital reduction

1. *Pursuant to the procedures set forth by law, capital reductions can be effected by reducing the nominal value of the shares, amortising them or grouping them in order to exchange them and, in all cases, the purpose can be to refund contributions, write off uncalled capital, set up or increase reserves, re-establish the balance between the Company's share capital and net equity, which has dropped as a result of losses, or a combination of several such purposes.*

2. *In the case of capital reductions in order to refund the value of the contributions, shareholders may be paid fully or partially in kind, provided that the conditions set forth in article 46.6 herein below are met.*

3. *The General Shareholders' Meeting may resolve, pursuant to the terms of applicable regulations, to reduce the share capital in order to amortise a certain group of shares, provided that said group is defined under substantive, homogeneous, objective and non-discriminatory criteria. In this case, the measure must be approved by the majority of the shares belonging to shareholders pertaining to the affected group and by the majority of the shares of the other shareholders in the Company. The amount to be paid by the Company can be no less than the arithmetical mean of the closing prices of the Company's shares in the Continuous Market of the Securities Market during the month prior to the date upon which the resolution to reduce the share capital is adopted.*

4. *The General Meeting may delegate to the Board of Directors the power to determine the date on which the resolution already adopted to reduce the capital must be carried into effect, and to set the conditions thereof in all matters not provided for by the General Meeting, as well as to cancel a capital reduction previously approved by the General Meeting for reasons of corporate interest, all within the limits established by Law."*

"Article 16. – Bond issuance

1. *The General Shareholders' Meeting, in the terms set forth by law, may delegate the power to issue simple, convertible and/or exchangeable bonds and debentures giving the debenture holders a share in the Company's profits to the Board of Directors. The Board of Directors may use this delegation power one or more times during a maximum term of five years.*

2. *Likewise, the General Shareholders' Meeting can also authorise the Board of Directors to establish the time at which the agreed issuance is to take place, and to set any conditions not stipulated in the resolution by the General Shareholders' Meeting."*

8.3 Amendments regarding the General Shareholders Meeting

"Article 20. – General Shareholders' Meeting

1. *The General Shareholders' Meeting, when duly convened and constituted shall represent all the shareholders, and all the shareholders shall be subject to its decisions in relation to the matters pertinent to its powers, including shareholders in disagreement or not present at the meeting, without prejudice to their right to challenge such decisions, as set forth by law.*



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2. *The General Shareholders' Meeting shall be governed by the terms of applicable regulations, the Articles of Association, the General Shareholders' Meeting Regulations that complement and implement the terms of law and articles of association in relation to meeting announcements and preparation, how they are held and conducted, and the exercise of disclosure, attendance, representation and voting rights of shareholders, as well as in such other implementing rules as may be adopted by the Board of Directors with the scope of its powers. The General Shareholders' Meeting Regulations must be approved by the General Meeting."*

"Article 21. – Kinds of General Meetings of shareholders

1. *General Meetings of shareholders may be ordinary or extraordinary.*

2. *The ordinary General Meeting of shareholders must necessarily be held within the first six months of each year in order to, where appropriate, approve the management of the company, approve the financial statements of the previous year and decide upon the allocation of profits, without prejudice to all other legally enforceable matters and to its authority to deliberate and decide any other matter appearing in the agenda. The ordinary General Meeting of shareholders will be valid even if called or held beyond that term.*

3. *Any General Meeting of shareholders other than the one contemplated in the preceding section will be considered to be an extraordinary."*

"Article 22. – Call of General Meetings of shareholders

1. *General Meetings of shareholders will be called by the Board of Directors by notice published in the manner and with the minimum content provided by law, at least one month prior to the date scheduled for the meeting to be held, without prejudice to the provisions of section 2 below in this article and the cases in which the law establishes a longer period of advance notice.*

2. *When the Company offers its shareholders the effective possibility of voting by electronic means accessible to all of them, the extraordinary General Meetings of the Company may be called a minimum of fifteen days in advance, after a resolution adopted at an ordinary General Meeting on the terms for that purpose applicable in accordance with the applicable regulations of the Company.*

3. *The website on which the notice of call of General Meetings of shareholders will be published is www.larespana.com.*

4. *Shareholders representing at least 3% of the share capital may, within the terms and on the conditions established by law, request that a supplement to the call of an ordinary General Meeting of shareholders be published, including one or more points on the agenda, provided that the new points are accompanied by an explanation or an explained proposed resolution, and they may also present explained proposed resolutions regarding issues already on the agenda or that are to be included on the agenda of an already called General Meeting of shareholders. The Company will publish the supplement to the call and the aforesaid explained proposed resolutions on the terms contemplated by law.*

5. *If a duly called General Meeting of shareholders is not held on first call, and the date on second call is not stated in the notice, it must be notified, with the same agenda and the same publication requirements as the first, within the fifteen days following the date of the General Meeting that was not held, at least ten days in advance of the meeting date.*



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6. *The Board of Directors must also call the General Meeting of shareholders whenever shareholders representing at least 3% of the share capital so request, in the request stating the matters to be discussed at the General Meeting, which must necessarily be included on the agenda by the Board of Directors. In this case, the General Meeting must be called to be held within the term contemplated in applicable regulations.*

7. *In the event of a call of a General Meeting of shareholders by the judicial clerk or by the Registrar of the Commercial Registry of the Company's corporate domicile, the corresponding applicable regulations will apply."*

"Article 24. – Constitution

1. *The General Shareholders' Meeting, whether ordinary or extraordinary, shall be constituted in a valid manner at the first session when the shareholders present or represented hold at least 25% of the subscribed capital with voting rights and the second session shall be constituted in a valid manner regardless of the capital present. The cases set forth in applicable regulations or herein that require a greater quorum for resolutions to be adopted are not included.*

2. *Absences taking place after the General Shareholders' Meeting has been constituted shall not alter the validity of the meeting."*

"Article 25. – Attendance at the General Meeting by telematic means

Attendance at the General Meeting by telematic and simultaneous means that duly guarantee the identity of the shareholders and their representatives and the casting of votes during the General Meeting may be admitted when so resolved by the Board of Directors, subject to the requirements set forth in the Regulations of the General Meeting, which may empower the Board of Directors to regulate, in compliance with the Law and the Articles of Association, all the necessary procedural aspects."

"Article 26. – Equal treatment

The Company shall, at all times, guarantee equal treatment of all the shareholders in the same class as regards information, participation and exercising voting rights at General Shareholders' Meetings.

In particular, it should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote."

"Article 27. – Attendance, representation and disclosure rights of shareholders

1. *The Company shareholders shall be entitled to attend General Shareholders' Meetings, regardless of the number of shares they hold, provided that they are registered in its name in the relevant book-entry register at least five days before the General Meeting of Shareholders is to be held.*

2. *The attendance, representation and disclosure rights of the shareholders in relation to the General Meeting shall be governed by the regulations applicable to the Company at any given time and by the terms of the General Shareholders' Meeting Regulations.*

3. *The Chairman of the General Shareholders' Meeting can authorise the Company's directors, managers and technicians and other parties with an interest in the development of company affairs to attend meetings. It may also invite parties other*



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than those mentioned herein, as deemed appropriate, the General Meeting may, however, revoke such authorisation."

"Article 28. – Casting of votes and granting of representation by remote means of communication prior to the General Meeting

1. Shareholders with the right to attend meetings can issue absentee votes prior to the General Meeting on the proposals made in relation to the points on the meeting agenda, regardless of the General Meeting type, as well as grant their representation, by post, electronic or by any other remote communication means established, where applicable, by the Board of Directors that duly guarantees the identity of the shareholders exercising or delegating their voting rights and, where appropriate, the security of electronic communications, as a result of the announcement of each General Shareholders' Meeting, in accordance with the terms of the General Shareholders' Meeting Regulations.

2. Votes issued and representation granted by remote communication means shall only be valid when received by the Company before midnight on the date immediately prior to the scheduled date for the first session of the General Shareholders' Meeting to be held. Otherwise, the vote shall be deemed as not issued and delegation as not granted.

3. The Board of Directors, pursuant to the terms of the General Shareholders' Meeting Regulations, may implement the preceding provisions, establishing rules, means and procedures in line with the state of the art to implement the issuance of votes and granting representation status by remote communication methods, complying, in such case, with applicable rules in this regard. In particular, the Board of Directors may reduce the period of notice set forth in the preceding paragraph for the receipt by the Company of votes issued and delegations granted. The implementation rules adopted in accordance with the terms herein shall be published on the Company's website.

4. If a shareholder attends a General Shareholders' Meeting in person, either physically or telematically, the vote issued or the representation granted by post, electronic or other remote communication means shall be rendered null and void.

5. Shareholders entitled to attend who issue their votes by absentee ballot in accordance with the terms in this article herein shall be considered present for the purposes of constituting the relevant General Shareholders' Meeting. Consequently, delegations issued earlier shall be deemed to have been revoked and those issued later shall be deemed not to have been made."

"Article 30. – Deliberation and adaptation of resolutions

1. The Chairman shall submit the issues included in the meeting agenda and, where appropriate, any matters not included in the agenda that may have been submitted in accordance with the Law for deliberation by the shareholders at the General Meeting. To this end, such party shall be authorised to call the meeting to order and impose discipline so that the meeting can be held in an orderly fashion.

2. Once each issue has been sufficiently debated, the Chairman shall put it up for a vote. The Chairman shall be responsible for establishing the voting system deemed most appropriate and for leading the relevant procedure, complying, where applicable, with the implementation rules set forth in the General Shareholders' Meeting Regulations.



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3. *Each share with the right to vote that is present or represented at the General Shareholders' Meeting shall be entitled to one vote.*

4. *Resolutions of the General Meeting shall be adopted when there is a vote in favour by the simple majority of the votes of the shareholders present or represented at the General Shareholders' Meeting. The cases set forth in applicable regulations or herein that require a different majority for resolutions to be adopted are not included."*

8.4 Amendments regarding the Board of Directors of the Company

"Article 19. – Governing bodies

1. *The governing bodies of the Company are the General Shareholders' Meeting and the Board of Directors, which shall have the powers assigned to them respectively herein and such powers may be delegated in the manner and to the extent stipulated herein.*

2. *The powers that are not attributed to the General Shareholders' Meeting by law, the Articles of Association or the Regulations of the General Meeting of Shareholders shall correspond to the Board of Directors."*

"Article 32. – Board of Directors

1. *The Company shall be managed by a Board of Directors.*

2. *The Board of Directors shall be governed by the legal regulations applicable and by these Articles of Association. The Board of Directors shall implement and complement such provisions under the pertinent Board of Directors Regulations, notification of approval or modification of which must be sent to the General Shareholders' Meeting."*

"Article 33. – Powers of the Board of Directors

1. *The Board of Directors is authorised to adopt resolutions regarding all manner of issues that are not attributed to the General Shareholders' Meeting in accordance with applicable regulations, these Articles of Association or the General Shareholders' Meeting Regulations.*

2. *The Policy of the Board of Directors, which shall be granted the broadest powers and authority to manage, administer and represent the Company within the scope of the corporate purpose set out in these Articles of Association, is to focus its activity, within the legal limits, on the general function of strategic coordination and definition and supervision of the basic management guidelines of the Company and its Group, deciding on matters of strategic relevance at Group level, respecting the respective functional and responsibility areas of each of the entities forming part of the Group and operating in the interest of each and every one of them, entrusting the ordinary management and administration of the Company to its Chairman, to the Chief Executive Officer, if any, and to the senior management of the Company.*

Likewise, the Board of Directors, as the core of its mission, approves the Company's strategy and the organisation required for its implementation, as well as supervises and controls that senior management complies with the objectives set and respects the Company's corporate purpose and interests."

"Article 34. – Composition of the Board of Directors

1. *The Board of Directors shall be composed of no less than five members or, at the most, fifteen.*

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2. *The General Shareholders' Meeting shall be responsible for establishing the number of board members. For these purposes, it shall act directly by establishing said number under an express resolution or indirectly, by filling vacancies or appointing new board members within the maximum limit established herein above.*

3. *The Board of Directors, in the course of exercising its power to make proposals to the General Shareholders' Meeting and co-opting in filling vacant positions, must endeavour, to the extent possible, to ensure that, in the composition of the Board, external or non-executive board members hold a majority over the executive members, endeavouring to make the number of independent board members represent one third of all the members of the Board of Directors. Furthermore, the number of executive board members must be the minimum necessary, taking into account the complexity of the corporate group and the interests of executive board members in the Company's capital.*

4. *The General Shareholders' Meeting and the Board of Directors shall endeavour to comply with the principle of a balanced presence of men and women in the composition of the Board of Directors.*

5. *The different classes of board members shall be defined as established in the regulations in force or, in absence of such, according to recommendations for good corporate governance applicable to the Company at any time.*

6. *The Board of Directors must explain the status of each board member to the General Shareholders' Meeting, which must effect or ratify the appointment. If any of the external board members cannot be considered to represent controlling shareholder interests nor are they independent, the Company shall explain such circumstance and their ties to the Company, its directors and/or its shareholders.*

7. *Persons who are not subject to any of the prohibitions or causes of incompatibility established by Law may be directors of the Company."*

"Article 35. – Term of office

1. *Board members shall hold office for a term of three years, at which time they may be re-elected one or more times for equal terms of office.*

2. *The appointment of directors shall expire when, the deadline having expired, the following General Shareholders' Meeting has been held, or the statutory term for the General Shareholders' Meeting at which the approval of the previous year's financial statements must be decided upon has elapsed.*

3. *Board members appointed by co-opting shall hold office until the next General Shareholders' Meeting. However, if the vacancy takes place after the call of the General Shareholders' Meeting and before it is held, the Board of Directors will be able to appoint a board member, which shall hold office until the next General Shareholders' Meeting."*

"Article 38. – Board of Directors Meetings

1. *The Board of Directors shall meet as often as deemed advisable in order to properly perform its duties and, at least, at the intervals and in the cases set forth in the Board of Directors Regulations.*

2. *Meeting announcements, which must always include the meeting agenda and appropriate relevant information, shall be made by the Secretary of the Board of Directors, or the party acting in the former's stead, with authorisation from the*



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Chairman of the Board, by any means ensuring receipt thereof. Announcements shall be sent at least three days in advance.

3. Notwithstanding the foregoing, Board of Directors meetings shall be deemed as constituted in a valid manner, with no need for a prior call to the meeting, if all of its members are present or represented and they unanimously agree to hold the meeting and agree upon the issues in the agenda.

4. Likewise, if no members object, votes can be issued by the Board of Directors in writing with no meeting being held.

5. Board of Directors meetings can be held in several places that are connected to each other by systems enabling the attendees to be recognised and identified, ensuring constant communication between those present, regardless of their respective locations, and real time interventions and issuance of votes.

The attendees in any of the locations shall be considered, for all intents and purposes related to the Board of Directors meeting, as attending the same, single meeting. The meeting shall be construed as held in the location where most of the board members are located and, in the event of a tie, in the registered address.

6. The Chairman shall be entitled to invite a representative of the entity that manages the Company's investments at any time (the "Management Company") to participate in Board of Directors' meetings."

"Article 39. – Conduct of meetings

1. There will be a valid quorum at Board meetings when majority of its members attend in person or represented by another director. The proxy will be granted in writing, necessarily in favour of another director, especially for each meeting, being notified to the Chairman of the Board by any means which provides proof of receipt. Outside directors may grant proxies only to another outside director.

2. Resolutions will be adopted by absolute majority of the directors present at the meeting in person or by proxy, (a resolution shall be deemed adopted when it receives more than half of the votes in favour from the members present or represented at the meeting) except when the law, these Articles of Association or the Board of Directors Regulations contemplate other majorities. In the event of a tie, the Chairman will have a casting vote.

3. Minutes will be prepared for meetings of the Board of Directors, which will be approved by the Board of Directors itself at the end of the meeting or at a subsequent meeting, the minutes may be partially approved at the end of the meeting if this proves necessary for any reason. Likewise, the proposed minutes may be sent by the Secretary or the Deputy Secretary for approval by means of remote communication that allow the recognition and identification of the Board Members. The minutes will be signed at least by the Chairman and the Secretary or those acting therefor, qualified electronic signatures or advanced electronic signatures may be used."

"Article 40. – Remuneration of directors

1. The directors will be entitled to receive remuneration for performance of their duties in their capacity as such, that is, as members of the Board of Directors as a collegial decision-making body of the Company, and of the committees of which they are members, consisting of an annual fixed amount.

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2. *The maximum amount of annual remuneration that may be paid by the Company to all of its directors in their capacity as such in accordance with the provisions of sections 1 and 5 of this article will not exceed the amount determined for that purpose by the General Meeting of shareholders through the remuneration policy of directors. The amount so fixed by the Meeting will be maintained until modified by a new resolution of the General Meeting of shareholders, in accordance with the provisions of applicable legislation.*

The specific determination of the corresponding amount in the aforesaid categories for each of the directors in their capacity as such correspond to the Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, in accordance with the director remuneration policy. To that end, it will take account of the positions filled by each director within the collegial body and the director's membership on the various committees and attendance at their meetings.

3. *Directors who are entrusted with executive duties by virtue of any title in addition will be entitled to receive the remuneration for performance of those responsibilities contemplated in the contract entered into for that purpose between the director and the Company, in accordance with the provisions of the remuneration policy of directors.*

4. *The Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, fixes the remuneration of each director for performance of their executive duties conferred upon it, and, with the required legal majority, approves the contracts of inside directors with the Company, which must be adapted to the remuneration policy approved by the General Meeting and the provisions of law.*

5. *In addition to the remuneration scheme contemplated in the foregoing sections, the directors will be entitled to be compensated by way of the delivery of shares, or by delivery of option rights on shares or by remuneration indexed to the value of shares, provided that the application of any such remuneration scheme is previously resolved by the General Meeting of shareholders. That resolution, if applicable, will determine the maximum number of shares that may be assigned in each year to this system of remuneration, the exercise price or the system for calculation of the exercise price of stock options, the value of the shares, if any, taken as a reference and the term of the plan.*

6. *The director remuneration policy will be adjusted as applicable to the remuneration scheme contemplated in these articles, will be of the legally-contemplated scope and will be submitted by the Board of Directors for approval of the General Meeting of shareholders with the frequency established by law.*

7. *In addition, all board members will receive appropriate compensation for their travel expenses arising from attendance at meetings of the Board of Directors and the committees to which they belong.*

8. *The Company shall take out civil liability insurance for its directors."*

"Article 41. – Delegated and Advisory Bodies of the Board of Directors

1. *Without prejudice to the powers of attorney that may be granted to any party, the Board of Directors can set up a permanent Executive Committee composed of at least three and at most seven members, and it may also appoint a Managing Director at the proposal of the Chairman of the Board of Directors; any and all powers that can be delegated in accordance with applicable regulations can be delegated, in full or*



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partially, to such parties temporarily or permanently. The delegation and appointment of members of the Board of Directors to hold such positions shall require a vote in favour by two thirds of the members of the Board of Directors in order to become valid and shall not take effect until entered at the Trade Registry.

2. The Board must set up an Audit and Control Committee and an Appointments, Remuneration and Sustainability Committee with disclosure, supervision, advisory and proposal powers in relation to their spheres of authority, as specified herein and implemented in the Board of Directors Regulations and, where appropriate, in their own Regulations.

3. Likewise, the Board may set up other committees with consulting or advisory duties."

"Article 42. - Audit and Control Committee. Composition, authority and functioning

1. The Board of Directors will establish a permanent Audit and Control Committee which will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors. The members of the Audit and Control Committee as a whole, particularly its Chairman, will be appointed on the basis of their knowledge and experience in accounting, auditing or risk management, both financial and non-financial, matters, and the majority of those members must be independent directors. The Board of Directors also will appoint one of the members of that Committee to act as the Chairman thereof. The position of Secretary of the Audit and Control Committee will be filled by the Secretary of the Board of Directors. The Committee members, shall have, as a whole, the technical knowledge necessary in relation to the Company's business sector.

The members of the Audit and Control Committee will hold office for a maximum term of three years, and may be re-elected one or more times for periods of the same maximum length.

The position of Chairman also will be exercised for a maximum of three years, at the end of which the Chairman may not be re-elected as such until one year has passed after leaving office, without prejudice to continuing or being elected as a member of the Committee.

2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee will exercise the following basic functions:

a. Reporting to the General Meeting of shareholders regarding questions posed by shareholders that fall within the scope of its authority and, in particular, with regards to the outcome of the auditing, explaining how it has contributed to the integrity of the financial information and the duties performed by the Committee during this process.

b. Supervising the effectiveness of internal control of the Company and its Group, the activity of the Company's internal audit function and its risk management systems, financial and non-financial, as well as, discussing with the statutory auditors, analysing significant weaknesses of the internal control system detected during conduct of the audit, without undermining its independence. To this effect, and where applicable, shall submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.

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- c. Supervising and evaluating the process of preparation and presentation of the mandatory financial and non-financial information, and present recommendations and proposals to the Board of Directors, directed at safeguarding its independence.*
- d. Submit to the Board of Directors for submission to the General Meeting of shareholders the proposals for selection, appointment, re-election and replacement of auditors, being responsible for the appointment process, in accordance with applicable legislation, as well as the contracting conditions and receive regular information from them on the audit plan and on its implementation and preserve his independence in the performance of its duties.*
- e. Establishing appropriate relationships with the statutory auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may pose a risk to their independence and any other matters relating to the audit process and, where appropriate, the authorisation of any of the services different from the prohibited services, in accordance with the applicable law, as well as any other communications provided for in audit legislation and other audit regulations. In any event, on an annual basis the Committee must receive from the statutory auditors written declaration of their independence in relation with the Company or entities directly or indirectly related to it, in addition to individualised and detailed information on additional services of any kind rendered to and the fees received from these entities by the aforementioned external auditor, or persons or entities related to him, as provided in the audit legislation.*
- f. Issuing annually, prior to the audit report, a report containing an opinion on whether or not the independence of the auditors or auditing companies is compromised. This report must, in all cases, contain the reasoned evaluation of the provision of each of the additional services mentioned in the section above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.*
- g. Inform about related transactions to be approved by the General Shareholders' Meeting or the Board of Directors.*
- h. Reporting, prior to the Board of Directors meetings, on all matters contemplated in the law, the Articles of Association and the Board of Directors Regulations, in particular regarding: (i) the financial information and the management report, including, where appropriate, the required non-financial information that the Company is to publish periodically; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories that are considered to be tax havens; and (iii) the economic conditions and their impact on the accounts and, where appropriate, the exchange rate applicable in corporate restructuring transactions performed by the Company.*
- i. Supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct.*
- j. Supervising the calculation of the fees received by the Management Company for performance of its duties.*
- k. Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.*
- l. Any others given to it by the Board of Directors in its corresponding Regulations.*

3. *The Audit and Control Committee will meet, ordinarily on a quarterly basis, in order to review the periodic financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It also will meet at the request of any of its members and when called by its Chairman. The Chairman is to call the meeting whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority.*

4. *The Committee shall be validly convened when the majority of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by an absolute majority vote. In the event of a tie, the Chairman will have a casting vote.*

5. *The Board of Directors may develop the foregoing set of rules in its corresponding Regulations."*

"Article 43. – Appointments, Remuneration and Sustainability Committee

1. *The Board of Directors will constitute a permanent Appointments, Remuneration Sustainability Committee, an internal body of an informational and advisory nature, with no executive functions, with rights of information, advice and proposal within the scope of its authority as indicated in section 2 of this article. The Appointments, Remuneration and Sustainability Committee will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors, on proposal of the Chairman of the Board. The majority of the members of the Appointments and Remuneration Committee will be independent directors. The Board of Directors also will appoint one of the members of that Committee to act as the Chairman thereof. The position of Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors.*

The members of the Appointments, Remuneration and Sustainability Committee will have knowledge, ability and experience appropriate to the functions they are called upon to perform.

The directors that are a part of the Appointments, Remuneration and Sustainability Committee will remain in that office for so long as their appointments as directors of the Company remain in effect, unless the Board of Directors resolves otherwise. Renewal, re-election and removal of the directors comprising the Committee will be governed by resolutions of the Board of Directors.

2. *Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Appointments, Remuneration and Sustainability Committee will exercise the following basic functions:*

a. *Evaluating the skills, knowledge and experience required on the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.*

b. *Establishing a goal for representation of women on the Board of Directors, and developing guidance on how to achieve that goal.*

c. *Making proposals to the Board of Directors of independent directors to be appointed by co-option or for submission to decision by the General Meeting of*



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shareholders, and proposals for re-election or removal of those directors by the general shareholders meeting.

d. Reporting on proposals for the appointment of the other directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for their re-election or removal by the General Meeting of shareholders.

e. Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.

f. Examining and organising the succession of the chairman of the Board of Directors and the chief executive of the Company and, if appropriate, making proposals to the Board of Directors so that that succession will occur in an orderly and planned manner.

g. Proposing to the Board of Directors the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the Board, Executive Committee or Managing Director, as well as the individual remuneration and other contractual conditions of inside directors, ensuring compliance therewith.

h. Evaluating and reviewing periodically the environmental and social sustainability policy and monitor the Company's environmental and social practices.

3. The Committee shall be validly convened when the majority of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by an absolute majority vote. In the event of a tie, the Chairman will have a casting vote.

4. The functioning of the Appointments, Remuneration and Sustainability Committee will be governed by the rules determined by the Board of Directors in its corresponding Regulations."

8.5 Amendments regarding the annual accounts and the distributions of profit

"Article 44. – Financial year and preparation of the financial statements

1. The financial year shall begin on 1 January each year and end on 31 December.

2. The financial statement and management report shall be prepared in accordance with the structure, principles and indications contained in the provisions in force.

3. Within the first three months of the year, the Board of Directors shall prepare the financial statements, management report, including where appropriate the non-financial information statement and proposal for application of profit and, where appropriate, the consolidated financial statement and management report. The financial statement and management report, including where appropriate the non-financial information statement must be signed by all the board members. If the signature of any such parties is missing, this shall be noted in each of the documents lacking the signature, expressly indicating the reason for such absence."

"Article 46. – Approval of financial statements and application of profits

1. The Company's financial statements and consolidated financial statements shall be submitted to the General Shareholders' Meeting for approval.

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2. *The General Shareholders' Meeting shall decide upon the application of profit for the year in accordance with the approved statement of financial position.*
3. *After fulfilling the obligations set forth herein or by law, dividends on account of period profit, or charged to available reserves, can only be shared out if the value of the net equity is not, or would not be, as a result of profit-sharing, lower than the share capital.*
4. *If the General Shareholders' Meeting agrees to pay dividends, it shall determine the time and method of payment, subject to the terms set forth herein. The establishment of these terms and any others that may be necessary or advisable to render the resolution enforceable may be delegated to the Board of Directors.*
5. *The General Shareholders' Meeting or the Board of Directors can resolve to share out dividends on account, with the restrictions, and meeting the requirements, established under applicable regulations.*
6. *The General Shareholders' Meeting or, as the case may be, the Board of Directors in the case of interim dividends amounts, can rule that the dividend be paid fully or partially in kind, provided that the assets or securities to be distributed are homogeneous, trading thereof is allowed on an official market at the time the resolution enters into force or the liquidity thereof within one year is duly secured by the Company and they are not distributed at a value that is inferior to that stated in the Company's statement of financial position.*
7. *Dividends shall be paid out to shareholders in proportion to the share capital they have paid out."*

8.6 Amendments regarding the liquidation of the Company

"Article 50. – Liquidation

1. *Once the Company has been dissolved, the liquidation period shall commence, except in the cases of merger or a complete spin-off or any other transfer of all the assets and liabilities as a whole.*
2. *At the same General Shareholders' Meeting at which the decision to dissolve the Company was adopted, the grounds for liquidation shall be established, and such process shall be implemented by the number of liquidators appointed for such purpose by the General Shareholders' Meeting.*
3. *From the time that the Company declares liquidation, the Board of Directors' power to represent the Company in entering into new contracts or creating new obligations shall expire, and the liquidators shall take on all the duties attributed to them under applicable regulations.*
4. *In relation to the course of the liquidation, division of the company's assets and cancellation at the relevant Registry, the terms of applicable regulations shall apply.*
5. *The General Shareholders' Meeting shall maintain the same powers it held during the Company's ordinary course of business throughout the liquidation period and it shall be specially authorised to approve the liquidation financial statement and final liquidation statement of financial position."*

8.7 Approval, as a result of the previous amendments, of a consolidated text of the Company's Articles of Association



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As a consequence of the amendments that have been approved under the previous resolutions, it is hereby resolved to approve a consolidated text of the Company's Articles of Association.

ANNEX

Compare between the proposed text and the current text of the Articles of Association

ARTICLES OF ASSOCIATION OF LAR ESPAÑA REAL ESTATE SOCIMI, SOCIEDAD ANÓNIMA.

TITLE I. NAME, PURPOSE, TERM AND REGISTERED ADDRESS

~~Article 1.~~ Article 1. - Registered name and applicable regulations

The company's name shall be LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (hereinafter, the "**Company**"), and it shall be governed by these Articles of Association and, in a complementary fashion, by the terms of the consolidated text of the Spanish Companies Law passed under Royal Legislative Decree 1/2010, of 2 July (hereinafter, the "**Spanish Companies Law**"), and also by Law 11/2009, of 26 October, in relation to listed real estate market investment companies (the "**SOCIMI Act**") and/or any other regulation that enacts, amends or replaces them.

~~Article 2.~~ Article 2. - Company purpose

1. The Company's purpose shall be:
 - a) The acquisition and development of urban real estate properties for leasing thereof.
 - b) Holding interests in the capital of other SOCIMIs or in other entities that are non-residents in Spain, have the same company purpose and are subject to a similar framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per their articles of association.
 - c) Holding interests in the capital of other resident or non-resident entities in Spain whose main company purpose is the acquisition of urban real estate properties for lease, which are subject to the same framework as that established for SOCIMIs in relation to compulsory policies on the sharing of profits, whether by law or as per their articles of association and meet the investment requirements set forth in article 3 of the SOCIMI Act.
 - d) Holding shares or share units in Real Estate Investment Trusts regulated under Law 35/2003, of 4 November, on Collective Investment Schemes, or any rule that may replace it in future.
 - e) In addition to the business derived from the main company purpose, SOCIMIs may also engage in other complementary activities, defined as any that, as a whole, provide revenues representing less than 20 percent of the company's revenue in each fiscal period or any that can be considered complementary in accordance with the applicable law at any time.
2. Any activities for which the Law sets forth requirements that are not met by the company

are excluded.

3. The activities composing the company purpose can be conducted fully or partially in an indirect manner, by holding interests in other companies with the same or analogous purpose.

~~Article 3.~~ **Article 3. - Registered address and corporate website**

1. The registered address is established at Calle Rosario Pino 14-16, Madrid, where the actual administration and management offices of the Company will be located.
2. The Board of Directors can change the company's registered address within national territory, and it may also establish, close or move commercial or administrative offices, storehouses, agencies, representations, delegations or branches in any location in Spain or abroad.
3. The Company shall have a corporate website (~~www.larespana.com~~www.larespana.com) operating under the terms of the Spanish Companies Law, which shall be registered at the Trade Registry. This corporate website shall publish any documents that must by law be disclosed, these Articles of Association and any other internal rules, in addition to any information deemed appropriate to be made available to shareholders and investors through this medium.
4. The Board of Directors shall have the power to modify, and move ~~or remove~~ the Company's corporate website.

~~Article 4.~~ **Article 4. - Term**

The company is established for an indefinite period and it began activities on the date its establishment was registered at the Trade Registry.

TITLE II. SHARE CAPITAL AND SHARES

~~Article 5.~~ **Article 5. - Share capital and shares**

The share capital is ONE HUNDRED SEVENTY FIVE MILLION TWO HUNDRED SIXTY SEVEN THOUSAND FOUR HUNDRED AND SIXTY EURO (€1 75,267,460). It is divided into EIGHTY SEVEN MILLION SIX HUNDRED THIRTY THREE THOUSAND SEVEN HUNDRED AND THIRTY (87,633,730) REGISTERED SHARES with a nominal value of TWO EURO (€2) each, all of a single class and series. All the shares are fully subscribed and paid out and grant the holders thereof the same rights.

~~Article 6.~~ **Article 6. - Representation of shares**

1. The shares are represented by book entries and are constituted as such in virtue of the record made thereof in the relevant accounting book. They shall be governed by applicable regulations in relation to securities markets.
2. The legal standing to exercise shareholder rights is obtained by entry in the accounting records, which presumes legitimate ownership and qualifies the registered holder to

demand that the Company recognise him/her as a shareholder. Said legal standing may be proved by showing the relevant certificates issued by the entity in charge of performing the relevant book-keeping.

3. If the Company provides any benefits in favour of parties appearing as shareholders according to the accounting records, it shall be released from the corresponding obligation, even if such party is not the actual holder of the share, provided that the action is performed in good faith and without gross negligence.
4. In the hypothetical case that the person appearing as the holder in the accounting records holds such legal standing as a trustee or in their capacity as a financial broker acting on behalf of its clients or by any other status or condition of a similar meaning, the Company can require such party to reveal the identity of the beneficial owners of the shares and the transfer and encumbrance acts performed in relation to them.

~~Article 7.~~ **Article 7. – Shareholder status. Rights inherent to this status**

1. The share grants the legitimate holder thereof shareholder status and entails the holder's acceptance of these Articles of Association and any resolutions adopted in a valid manner by the Company's governing bodies, while also entitling such party to exercise the rights inherent to such status, pursuant to these Articles of Association and applicable regulations.
2. In the terms set forth in applicable regulations, and except for the cases set forth therein, the share grants the holder at least the following rights:
 - a) To participate in company profit-sharing and in the assets resulting from liquidation.
 - b) Pre-emptive subscription on issues of new shares in exchange for monetary contributions or on convertible bonds.
 - c) To attend and vote at General Meetings in the terms set forth herein and to challenge company decisions.
 - d) Information, in the terms set forth in the regulations in force.

~~Article 8.~~ **Article 8. - Additional benefits**

The Company shares entail the performance of and compliance with the additional benefits described below. These benefits, which shall not result in remuneration of any kind from the Company for the shareholder in each pertinent case, are as follows:

1. Shareholders of significant interests
 - a) Any shareholder that (i) holds a percentage of the Company's shares that is equal to or greater than 5% of the share capital or the percentage set forth in article 9.2 of the SOCIMI Act or any regulation that replaces it, for the Company to accrue the special corporate tax rate (the "**Significant Interest**"), or (ii) acquires shares

that, along with those already held, enable the party to reach a Significant Interest in the Company's capital, must notify the Board of Directors of this circumstance.

- b) Likewise, any shareholder that has reached this Significant Interest in the Company's share capital must notify the Board of Directors of any subsequent acquisition, regardless of the number of shares acquired.
- c) Any party that holds the economic rights to Company shares must also serve notification as set forth in paragraphs a) and b) above, including in all cases, indirect holders of Company shares through financial brokers that are formally qualified as shareholders in virtue of the accounting records but act on behalf of said holders.
- d) Along with the notification set forth in the preceding paragraphs, the shareholder or holder of the economic rights concerned must furnish the Company's Secretary of the Board:
 - e) ~~(i)~~ A certificate of residence for the purposes of personal income tax, issued by the competent authorities in such party's country of residence. In cases in which the shareholder resides in a country with which Spain has entered into a treaty to avoid double taxation levied on income, the certificate of residence must meet the characteristics set forth under the relevant treaty for the benefits to be applicable.
 - f) ~~(ii)~~ A certificate issued by a person with sufficient power of attorney accrediting the tax rate to which the dividend paid out by the Company is subject for the shareholder, along with a declaration stating that the listed shareholder is the actual beneficiary of said dividend.

Shareholders or holders of economic rights subject to this provision must furnish the Company with this certificate within ten calendar days after the General Meeting, or the Board of Directors where applicable, decides upon distribution of any dividends or any analogous amounts (reserves, etc.).

- g) ~~e)~~ If the subject party fails to fulfil the disclosure obligation set forth in paragraphs a) to d) above, the Board of Directors may assume that the dividend is tax-exempt or is taxed at a rate lower than that set forth in article 9.2 of the SOCIMI Act or any rule replacing it.

Alternatively, the Board of Directors may request a legal report be drawn up by a highly reputable law firm in the country in which the shareholder resides, to be charged to the dividend corresponding to the shareholder, which passes judgement on the taxation obligations of the dividends distributed by the Company.

Expenses incurred by the Company shall be payable the day prior to payment of

the dividend.

- h) ~~f)~~ For all intents and purposes, transfers of Company shares through *inter vivos* or *mortis causa* acts (including, therefore, this additional benefit) shall be authorised.
- i) ~~g)~~ The holding percentage equal to or greater than 5% of the capital referred to in paragraph a) above shall be deemed (i) automatically modified if the percentage stated in article 9.2 of the SOCIMI Act, or the regulation replacing it, varies and, therefore, (ii) replaced by the percentage set forth at any given time in the aforementioned regulation.

2. Shareholders subject to special rules

- a) Any shareholder that, as an investor, is subject in their jurisdiction of origin to any kind of special legal framework in relation to pension funds or benefits plans must inform the Board of Directors of such circumstance.
- b) Likewise, any shareholder that is subject to the situation described in paragraph a) above must inform the Board of Directors of any subsequent acquisitions or transfers, regardless of the number of shares acquired or transferred.
- c) Any party that holds the economic rights to Company shares must also serve notification as set forth in paragraphs a) and b) above, including in all cases, indirect holders of Company shares through financial brokers that are formally qualified as shareholders in virtue of the accounting records but act on behalf of said holders.
- d) The Company, by means of a written notification (an "**Information Summons**"), may require any shareholder or any other person with a known or apparent interest in the Company's shares to furnish, in writing, the information required by the Company, of which the shareholder or other person has knowledge in relation to the actual ownership of the shares in question or the interest therein (accompanied, should the Company so require, by a formal or certified declaration and/or independent proof), including (without prejudice to the general nature of the foregoing statement) any information that the Company deems necessary or appropriate for the purposes of determining whether said shareholders or parties may be subject to the situation described in paragraph a) above.

The Company may issue an Information Summons at any time and may send one or more Information Summons to the same shareholder or to any other person with regard to the same shares or interests in certain shares.

- e) Without prejudice to the obligations regulated here in article 8.2, the Company shall supervise the acquisitions and transfers of shares made and shall take any measures appropriate to prevent any loss or damage that could arise for the Company or its shareholders through the application of legislation in force on

pension funds or benefits plans to which they may be subject in their respective jurisdictions

- f) For all intents and purposes, transfers of Company shares through inter vivos or mortis causa acts (including, therefore, this additional benefit) shall be authorised.

~~Article 9.~~ **Article 9. - Co-ownership, usufruct and pledge of shares**

1. Co-ownership, usufruct and pledge of shares shall be governed by the terms set forth in the regulations in force at any time.
2. As the shares are indivisible, share co-owners and co-holders of other rights thereon must appoint a single person to exercise the corresponding rights and provide such party's identity to the Company by certifiable means.

~~Article 10.~~ **Article 10. - Transfer of shares**

The shares and economic rights deriving therefrom, including the pre-emptive subscription right, can be freely transferred by any means allowed by law.

~~Article 11.~~ **Article 11. - Uncalled capital**

1. When the shares are not fully paid out, this circumstance shall be recorded in the corresponding registry entry.
2. Uncalled capital must be paid out at the time determined by the Board of Directors within five years after the capital increase resolution date. As regards the manner and other circumstances of the pay-out, the terms of the capital increase resolution shall apply, and these may stipulate that pay-outs be made through both monetary and ~~non-monetary~~ nonmonetary contributions.
3. Shareholders in default of payment of outstanding capital call-ups shall not be allowed to exercise their voting rights. They shall also have no right to receive dividends and shall not be entitled to the pre-emptive subscription right to new shares or convertible bonds.
4. Once the amount for the capital call-up and the interest accrued has been paid, the shareholder can claim payment of any dividends that are not statute-barred, but not pre-emptive subscription, if the term for exercise thereof has already elapsed.

TITLE III. CAPITAL INCREASE AND DECREASE

~~Article 12.~~ **Article 12. - Capital increase**

~~1.~~ — The share capital can be increased by a resolution of the General Shareholders' Meeting, with the requirements established under applicable regulations and in accordance with the methods authorised under such regulations. An increase may be performed by issuing new shares or by increasing the nominal value of the existing ones, and the exchange value of the increase may consist in monetary or non-monetary

contributions to the company's assets, including offsetting credits with the Company or converting reserves into share capital. The increase can be effected partially by means of new contributions and partially charged to reserves.

~~Article 13.~~ **Article 13. – Authorised capital**

1. The General Shareholders' Meeting, following the requirements established for amendment of the Articles of Association and within the limits and conditions set under applicable regulations, may authorise the Board of Directors, with substitution powers if applicable, to decide upon one or more capital increases. When the General Shareholders' Meeting delegates this power to the Board of Directors, it can also authorise the latter to exclude the pre-emptive subscription right regarding the issuance of the shares that are subject to delegation in the terms and following the requirements established under applicable regulations.
2. The General Shareholders' Meeting can also delegate the power to implement the previously adopted capital increase resolution to the Board of Directors, with substitution powers if applicable, within the deadlines set forth under applicable regulations, stating the date or dates for formalisation thereof and establishing any conditions for the increase that were not set forth by the General Shareholders' Meeting. The Board of Directors may use all or part of such delegation power, or may even refrain from performing it, in light of market conditions, the Company itself or any particularly relevant fact or event that, in such party's opinion, justifies such decision, reporting such at the first General Shareholders' Meeting held after the deadline granted for such formalisation has expired.

~~Article 14.~~ **Article 14. – Pre-emptive subscription rights and exclusion thereof**

1. In capital increases in which new ordinary or privileged shares are issued in exchange for monetary contributions, when appropriate in accordance with applicable legislation, the Company's shareholders, within a period granted for these purposes by the Board of Directors, which shall not be shorter than the term set forth by law, shall be entitled to exercise the right to subscribe a number of shares in proportion to the nominal value of the shares they hold at such time.
2. The General Shareholders' Meeting or, where appropriate, the Board of Directors, shall be allowed to fully or partially exclude the pre-emptive subscription right in light of the company's interests, in cases and under the conditions set forth in applicable regulations.
3. The pre-emptive subscription right shall not apply when the capital increase is performed in exchange for non-monetary contributions or is due to the conversion of bonds into shares or the take-over of another company or all or part of the assets split from another company.

~~Article 15.~~ **Article 15. – Capital reduction**

1. Pursuant to the procedures set forth by law, capital reductions can be effected by reducing the nominal value of the shares, amortising them or grouping them in order to exchange them and, in all cases, the purpose can be to refund contributions, write off uncalled capital, set up or increase reserves, re-establish the balance between the Company's share capital and net equity, which has dropped as a result of losses, or a combination of several such purposes.
2. In the case of capital reductions in order to refund the value of the contributions, shareholders may be paid fully or partially in kind, provided that the conditions set forth in article 46.6 herein below are met.
3. The General Shareholders' Meeting may resolve, pursuant to the terms of applicable regulations, to reduce the share capital in order to amortise a certain group of shares, provided that said group is defined under substantive, homogeneous, objective and non-discriminatory criteria. In this case, the measure must be approved by the majority of the shares belonging to shareholders pertaining to the affected group and by the majority of the shares of the other shareholders in the Company. The amount to be paid by the Company can be no less than the arithmetical mean of the closing prices of the Company's shares in the Continuous Market of the Securities Market during the month prior to the date upon which the resolution to reduce the share capital is adopted.
4. The General Meeting may delegate to the Board of Directors the power to determine the date on which the resolution already adopted to reduce the capital must be carried into effect, and to set the conditions thereof in all matters not provided for by the General Meeting, as well as to cancel a capital reduction previously approved by the General Meeting for reasons of corporate interest, all within the limits established by Law.

TITLE IV. BONDS AND OTHER SECURITIES

~~Article 16.~~ Article 16. – Bond issuance

1. The General Shareholders' Meeting, in the terms set forth by law, may delegate the power to issue simple ~~or~~, convertible and/or exchangeable bonds and debentures giving the debenture holders a share in the Company's profits to the Board of Directors. The Board of Directors may use this delegation power one or more times during a maximum term of five years.
2. Likewise, the General Shareholders' Meeting can also authorise the Board of Directors to establish the time at which the agreed issuance is to take place, and to set any conditions not stipulated in the resolution by the General Shareholders' Meeting.

~~Article 17.~~ Article 17. – Convertible and exchangeable bonds

1. Convertible and/or exchangeable bonds can be issued at fixed (determined or determinable), floating or mixed rates.
2. The issuance resolution shall stipulate whether the conversion or exchange power

corresponds to the holder and/or to the Company or, where appropriate, the conversion or exchange is to take place necessarily at a specific time.

3. The terms of article 14 herein above shall apply as regards the pre-emptive subscription right and exclusion thereof of Company shareholders in relation to issuance of bonds convertible into Company shares.

~~Article 18.~~ **Article 18.** – Other securities

1. With a prior resolution by the General Shareholders' Meeting, the Company can issue promissory notes, preferential share units or other negotiable instruments other than those set forth in the preceding articles.
2. The General Shareholders' Meeting can also delegate the power to issue such instruments to the Board of Directors. The Board of Directors may use this delegation power one or more times during a maximum term of five years.
3. The General Shareholders' Meeting can also authorise the Board of Directors to establish the time at which the agreed issuance is to take place, and to set any conditions not stipulated in the resolution by the General Shareholders' Meeting, in the terms set forth under applicable regulations.
4. With a prior resolution by the General Shareholders' Meeting or, by delegation, by the Board of Directors, the Company can also secure securities issued by its subsidiaries.

TITLE V. COMPANY FRAMEWORK AND ADMINISTRATION

~~Article 19.~~ **Article 19.** – Governing bodies

1. The governing bodies of the Company are the General Shareholders' Meeting and the Board of Directors, which shall have the powers assigned to them respectively herein and such powers may be delegated in the manner and to the extent stipulated herein.
2. The powers that are not attributed to the General Shareholders' Meeting by law ~~or as per these, the~~ Articles of Association or the Regulations of the General Meeting of Shareholders shall correspond to the ~~administrative body.~~^{3.} ~~The regulation by law and under the articles of association of such bodies shall be defined and complemented, respectively, by the General Shareholders' Meeting Regulations and the Board of Directors Regulations, and a majority vote shall be required by the respective body for the approval and amendment thereof~~ Board of Directors.

SECTION I. GENERAL SHAREHOLDERS' MEETING

~~Article 20.~~ **Article 20.** – General Shareholders' Meeting

1. The General Shareholders' Meeting, when duly convened and constituted shall represent all the shareholders, and all the shareholders shall be subject to its decisions in relation to the matters pertinent to its powers, including shareholders in disagreement or not present at the meeting, without prejudice to their right to challenge such decisions, as

set forth by law.

2. The General Shareholders' Meeting shall be governed by the terms of applicable regulations, the Articles of Association~~—and~~, the General Shareholders' Meeting Regulations that complement and implement the terms of law and articles of association in relation to meeting announcements and preparation, how they are held and conducted, and the exercise of disclosure, attendance, representation and voting rights of shareholders, as well as in such other implementing rules as may be adopted by the Board of Directors with the scope of its powers. The General Shareholders' Meeting Regulations must be approved by the General Meeting.

~~Article 21.~~ Article 21. – **Kinds of General Meetings of shareholders**

1. General Meetings of shareholders may be ordinary or extraordinary.
2. The ordinary General Meeting of shareholders must necessarily be held within the first six months of each year in order to ~~review~~, where appropriate, approve the management of the company, approve, ~~where appropriate,~~ the financial statements of the previous year and decide upon the allocation of profits, without prejudice to all other legally enforceable matters and to its authority to deliberate and decide any other matter appearing in the agenda. The ordinary General Meeting of shareholders will be valid even if called or held beyond that term.
3. Any General Meeting of shareholders other than the one contemplated in the preceding section will be considered to be an extraordinary ~~General Meeting of shareholders and will be held whenever called by the Company's Board of Directors on its own initiative or by request of shareholders holding at least 3% of share capital, stating the matters to be considered at the Meeting in the request.~~

~~Article 22.~~ Article 22. – **Call of General Meetings of shareholders**

1. General Meetings of shareholders will be called by the Board of Directors by notice published in the manner and with the minimum content provided by law, at least one month prior to the date scheduled for the meeting to be held, without prejudice to the provisions of section 2 below in this article and the cases in which the law establishes a longer period of advance notice.
2. When the Company offers its shareholders the effective possibility of voting by electronic means accessible to all of them, the extraordinary General Meetings of the Company may be called a minimum of fifteen days in advance, after a resolution adopted at an ordinary General Meeting on the terms for that purpose applicable in accordance with the applicable regulations of the Company.
3. The website on which the notice of call of General Meetings of shareholders will be published is www.larespana.com.
4. Shareholders representing at least 3% of the share capital may, within the terms and on

the conditions established by law, request that a supplement to the call of an ordinary General Meeting of shareholders be published, including one or more points on the agenda, provided that the new points are accompanied by an explanation or an explained proposed resolution, and they may also present explained proposed resolutions regarding issues already on the agenda or that are to be included on the agenda of an already called General Meeting of shareholders. The Company will publish the supplement to the call and the aforesaid explained proposed resolutions on the terms contemplated by law.

5. If a duly called General Meeting of shareholders is not held on first call, and the date on second call is not stated in the notice, it must be notified, with the same agenda and the same publication requirements as the first, within the fifteen days following the date of the General Meeting that was not held, at least ten days in advance of the meeting date.
6. The ~~management body~~Board of Directors must also call the General Meeting of shareholders whenever shareholders representing at least 3% of the share capital so request, in the request stating the matters to be discussed at the General Meeting, which must necessarily be included on the agenda by the ~~management body~~Board of Directors. In this case, the General Meeting must be called to be held within the term contemplated in applicable regulations.
7. In the event of a call of a General Meeting of shareholders by the judicial clerk or by the Registrar of the Commercial Registry of the Company's corporate domicile, the corresponding applicable regulations will apply.

~~Article 23.~~ Article 23. **Meeting place and time**

1. General Shareholders' Meetings shall take place in the place indicated in the announcement within the municipality where the Company's registered address is located.
2. The General Shareholders' Meeting can agree to prorogue the meeting for one or more consecutive days at the request of the directors or of a number of shareholders in agreement representing at least one fourth of the attending share capital. Regardless of the number of sessions, the General Shareholders' Meeting shall be considered a single unit, and a single minutes record shall be taken for all the sessions.
3. The General Shareholders' Meeting can also temporarily be suspended in the cases and in the manner set forth in its Regulations.

~~Article 24.~~ Article 24. **Constitution**

1. The General Shareholders' Meeting, whether ordinary or extraordinary, shall be constituted in a valid manner at the first session when the shareholders present or represented hold at least 25% of the subscribed capital with voting rights and the second session shall be constituted in a valid manner regardless of the capital present. The

cases set forth in applicable regulations or herein that require a greater quorum for resolutions to be adopted are not included.

~~2. Shareholders entitled to attend who issue their votes by absentee ballot in accordance with the terms of article 28 herein shall be considered present for the purposes of constituting the relevant General Shareholders' Meeting.~~

2. ~~3.~~ Absences taking place after the General Shareholders' Meeting has been constituted shall not alter the validity of the meeting.

~~Article 25. — Universal General Meeting~~ **Article 25. — Attendance at the General Meeting by telematic means**

~~The General Shareholders' Meeting shall be properly called and validly constituted to discuss and resolve any issue whenever all the share capital is present and the attendees unanimously agree to hold the meeting.~~

Attendance at the General Meeting by telematic and simultaneous means that duly guarantee the identity of the shareholders and their representatives and the casting of votes during the General Meeting may be admitted when so resolved by the Board of Directors, subject to the requirements set forth in the Regulations of the General Meeting, which may empower the Board of Directors to regulate, in compliance with the Law and the Articles of Association, all the necessary procedural aspects.

~~Article 26. —~~ **Article 26. — Equal treatment**

The Company shall, at all times, guarantee equal treatment of all the shareholders in the same class as regards information, participation and exercising voting rights at General Shareholders' Meetings.

In particular, it should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote.

~~Article 27. —~~ **Article 27. — Attendance, representation and disclosure rights of shareholders**

1. The Company shareholders shall be entitled to attend General Shareholders' Meetings, regardless of the number of shares they hold, provided that they are registered in its name in the relevant book-entry register at least five days before the General Meeting of Shareholders is to be held.
2. The attendance, representation and disclosure rights of the shareholders in relation to the General Meeting shall be governed by the regulations applicable to the Company at any given time and by the terms of the General Shareholders' Meeting Regulations.
3. The Chairman of the General Shareholders' Meeting can authorise the Company's directors, managers and technicians and other parties with an interest in the development of company affairs to attend meetings ~~and can~~. It may also invite parties

other than those mentioned herein, as deemed appropriate, the General Meeting may, however, revoke such authorisation.

~~Article 28.— Absentee voting~~

Article 28. – Casting of votes and granting of representation by remote means of communication prior to the General Meeting

1. Shareholders with the right to attend meetings can issue absentee votes prior to the General Meeting on the proposals made in relation to the points on the meeting agenda, regardless of the General Meeting type, as well as grant their representation, by post, electronic or by any other remote communication means established, where applicable, by the Board of Directors that duly guarantees the identity of the shareholders exercising or delegating their voting rights and, where appropriate, the security of electronic communications, as a result of the announcement of each General Shareholders' Meeting, in accordance with the terms of the General Shareholders' Meeting Regulations.
2. Votes issued and representation granted by remote communication means shall only be valid when received by the Company before midnight on the date immediately prior to the scheduled date for the first session of the General Shareholders' Meeting to be held. Otherwise, the vote shall be deemed as not issued and delegation as not granted.
3. The Board of Directors, pursuant to the terms of the General Shareholders' Meeting Regulations, may implement the preceding provisions, establishing rules, means and procedures in line with the state of the art to implement the issuance of votes and granting representation status by remote communication methods, complying, in such case, with applicable rules in this regard. In particular, the Board of Directors may reduce the period of notice set forth in the preceding paragraph for the receipt by the Company of votes issued and delegations granted. The implementation rules adopted in accordance with the terms herein shall be published on the Company's website.
4. If a shareholder ~~or such party's representative~~ attends a General Shareholders' Meeting in person, either physically or telematically, the vote ~~made~~ issued or the representation granted by post, electronic or other remote communication means shall be rendered null and void.
5. Shareholders entitled to attend who issue their votes by absentee ballot in accordance with the terms in this article herein shall be considered present for the purposes of constituting the relevant General Shareholders' Meeting. Consequently, delegations issued earlier shall be deemed to have been revoked and those issued later shall be deemed not to have been made.

~~Article 29.— Article 29. – Chairing General Shareholders' Meetings~~ Shareholder's Meeting

The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors,

who shall be assisted by a Secretary, which shall be the Secretary of the Board of Directors. In absence of such parties, the terms of the substitution system set forth under the General Shareholders' Meeting Regulations shall apply.

~~Article 30.~~ **Article 30. – Deliberation and adaptation of resolutions**

1. The Chairman shall submit the issues included in the meeting agenda and, where appropriate, any matters not included in the agenda that may have been submitted in accordance with the Law for deliberation by the shareholders at the General Meeting. To this end, such party shall be authorised to call the meeting to order and impose discipline so that the meeting can be held in an orderly fashion.
2. Once each issue has been sufficiently debated, the Chairman shall put it up for a vote. The Chairman shall be responsible for establishing the voting system deemed most appropriate and for leading the relevant procedure, complying, where applicable, with the implementation rules set forth in the General Shareholders' Meeting Regulations.
3. Each share with the right to vote that is present or represented at the General Shareholders' Meeting shall be entitled to one vote.
4. Resolutions of the General Meeting shall be adopted when there is a vote in favour by the simple majority of the capital votes of the shareholders present or represented at the General Shareholders' Meeting. The cases set forth in applicable regulations or herein that require a different majority for resolutions to be adopted are not included.

~~Article 31.~~ **Article 31. – General Shareholders' Meeting Minutes**

1. The minutes certificate of the General Shareholders' Meeting shall be approved in any of the manners set forth under the regulations applicable to the Company at any time, and shall be enforceable as of the date of approval thereof.
2. The Board of Directors can require that a notary be present to certify the resolutions of the General Shareholders' Meeting and it must do so whenever shareholders representing at least 1% of the share capital make such a request five days in advance of the meeting date. In both cases, the instrument certified by the notary shall not require approval and shall have the legal standing of General Shareholders' Meeting Minutes.

SECTION II.- THE ADMINISTRATIVE BODY

~~Article 32.~~ **Article 32. – Board of Directors**

1. The Company shall be managed by a Board of Directors.
2. The Board of Directors shall be governed by the legal regulations applicable and by these Articles of Association. The Board of Directors shall implement and complement such provisions under the pertinent Board of Directors Regulations, notification of approval or modification of which must be sent to the General Shareholders' Meeting.

~~Article 33.~~ **Article 33. – Powers of the Board of Directors**

1. The Board of Directors is authorised to adopt resolutions regarding all manner of issues that are not attributed to the General Shareholders' Meeting in accordance with applicable regulations ~~or~~, these Articles of Association or the General Shareholders' Meeting Regulations.
2. The Policy of the Board of Directors, which shall be granted the broadest powers and authority to manage, administer and represent the Company, ~~as a general rule, shall entrust ordinary Company management to the delegate administrative bodies and shall~~ within the scope of the corporate purpose set out in these Articles of Association, is to focus its activities on activity, within the legal limits, on the general function of strategic coordination and definition and supervision ~~duties and deliberation of issues of particular relevance to~~ of the basic management guidelines of the Company and its Group, deciding on matters of strategic relevance at Group level, respecting the respective functional and responsibility areas of each of the entities forming part of the Group and operating in the interest of each and every one of them, entrusting the ordinary management and administration of the Company to its Chairman, to the Chief Executive Officer, if any, and to the senior management of the Company.

Likewise, the Board of Directors, as the core of its mission, approves the Company's strategy and the organisation required for its implementation, as well as supervises and controls that senior management complies with the objectives set and respects the Company's corporate purpose and interests.

~~Article 34.~~ **Article 34. – Composition of the Board of Directors**

1. The Board of Directors shall be composed of no less than five members or, at the most, fifteen, ~~to be determined by the General Shareholders' Meeting.~~
2. The General Shareholders' Meeting shall be responsible for establishing the number of board members. For these purposes, it shall act directly by establishing said number under an express resolution or indirectly, by filling vacancies or appointing new board members within the maximum limit established herein above.
3. The Board of Directors, in the course of exercising its power to make proposals to the General Shareholders' Meeting and co-opting in filling vacant positions, must endeavour, to the extent possible, to ensure that, in the composition of the ~~b~~Board, external or non-executive board members hold a majority over the executive members, endeavouring to make the number of independent board members represent one third of all the members of the Board of Directors. Furthermore, the number of executive board members must be the minimum necessary, taking into account the complexity of the corporate group and the interests of executive board members in the Company's capital.
4. The General Shareholders' Meeting and the Board of Directors shall endeavour to comply with the principle of a balanced presence of men and women in the composition of the Board of Directors.

5. The different classes of board members shall be defined as established in the regulations in force or, in absence of such, according to recommendations for good corporate governance applicable to the Company at any time.
6. The Board of Directors must explain the status of each board member to the General Shareholders' Meeting, which must effect or ratify the appointment. If any of the external board members cannot be considered to represent controlling shareholder interests nor are they independent, the Company shall explain such circumstance and their ties to the Company, its directors and/or its shareholders.
7. Persons who are not subject to any of the prohibitions or causes of incompatibility established by Law may be directors of the Company.

~~Article 35.~~ **Article 35. – Term of office**

1. Board members shall hold office for a term of three years, at which time they may be re-elected one or more times for equal terms of office.
2. The appointment of directors shall expire when, the deadline having expired, the following General Shareholders' Meeting has been held, or the statutory term for the General Shareholders' Meeting at which the approval of the previous year's financial statements must be decided upon has elapsed.
3. Board members appointed by co-opting shall hold office until the next General Shareholders' Meeting. However, if the vacancy takes place after the call of the General Shareholders' Meeting and before it is held, the Board of Directors will be able to appoint a board member, which shall hold office until the next General Shareholders' Meeting.

~~Article 36.~~ **Article 36. – Appointment of positions on the Board of Directors**

1. The Board of Directors shall appoint one of its members to act as Chairman and may have one or more Vice-Chairmen who, in accordance with the order established by the Board, shall substitute the Chairman in the event of vacancy, absence or illness. The Board shall also appoint a person to act as Secretary. In order to be appointed Chairman or Vice-Chairman, the party appointed must be a member of the Board of Directors; however, this is not the case for the party appointed to act as Secretary, in which case he will be entitled to speak but not to vote.
2. The Board of Directors may also, optionally, appoint a Vice-Secretary, which need not be a board member.

~~Article 37.~~ **Article 37. – Representation powers**

1. The power to represent the Company in and out of court shall be entrusted to the Board of Directors, which shall act jointly.
2. The Secretary and, where applicable, the Vice-Secretary, of the Board of Directors shall

have the representation status needed to have the resolutions of the General Shareholders' Meetings and the Board of Directors meetings certified by a notary and submit them for registration.

3. The representation status of the delegate bodies shall be governed by the terms of the delegation resolution. Unless indicated otherwise, the representation status shall be construed as entrusted individually to the Managing Director, should such position exist, and in the event that an Executive Committee is set up, the Chairman thereof shall hold such status.

~~Article 38.~~ **Article 38. – Board of Directors Meetings**

1. The Board of Directors shall meet as often as deemed advisable in order to properly perform its duties and, at least, at the intervals and in the cases set forth in the Board of Directors Regulations.
2. Meeting announcements, which must always include the meeting agenda and appropriate relevant information, shall be made by the Secretary of the Board of Directors, or the party acting in the former's stead, with authorisation from the Chairman of the Board, by any means ensuring receipt thereof. Announcements shall be sent at least three days in advance.
3. Notwithstanding the foregoing, Board of Directors meetings shall be deemed as constituted in a valid manner, with no need for a prior call to the meeting, if all of its members are present or represented and they unanimously agree to hold the meeting and agree upon the issues in the agenda.
4. Likewise, if no members object, votes can be issued by the Board of Directors in writing with no meeting being held.
5. Board of Directors meetings can be held in several places that are connected to each other by systems enabling the attendees to be recognised and identified, ensuring constant communication between those present, regardless of their respective locations, and real time interventions and issuance of votes.

The attendees in any of the locations shall be considered, for all intents and purposes related to the Board of Directors meeting, as attending the same, single meeting. The meeting shall be construed as held in the location where most of the board members are located and, in the event of a tie, ~~where the Chairman of the Board of Directors, or the party chairing the meeting in the former's stead, is located~~ in the registered address.

6. The Chairman shall be entitled to invite a representative of the entity that manages the Company's investments at any time (the "Management Company") to participate in Board of Directors' meetings.

Article 39. – ~~Article 39.~~ Conduct of meetings

1. There will be a valid quorum at Board meetings when ~~one-half plus one~~ majority of its

members attend in person or represented by another director. The proxy will be granted in writing, necessarily in favour of another director, ~~speciall~~especially for each meeting, being notified to the Chairman of the Board by any means which provides proof of receipt. Outside directors may grant proxies only to another outside director.

2. Resolutions will be adopted by absolute majority of the directors present at the meeting in person or by proxy, (a resolution shall be deemed adopted when it receives more than half of the votes in favour from the members present or represented at the meeting) except when the law, these Articles of Association or the Board of Directors Regulations contemplate other majorities. In the event of a tie, the Chairman will have a casting vote.
3. Minutes will be prepared for meetings of the Board of Directors, which will be approved by the Board of Directors itself at the end of the meeting or at a subsequent meeting, ~~and~~the minutes may be partially approved at the end of the meeting if this proves necessary for any reason. Likewise, the proposed minutes may be sent by the Secretary or the Deputy Secretary for approval by means of remote communication that allow the recognition and identification of the Board Members. The minutes will be signed at least by the Chairman and the Secretary or those acting therefor, qualified electronic signatures or advanced electronic signatures may be used.

~~Article 40.~~ **Article 40. – Remuneration of directors**

1. The directors will be entitled to receive remuneration for performance of their duties in their capacity as such, that is, as members of the Board of Directors as a collegial decision-making body of the Company, and of the committees of which they are members, consisting of an annual fixed amount.
- ~~2. — In addition, board members will receive appropriate compensation for their travel expenses arising from attendance at meetings of the Board of Directors and the committees to which they belong.~~
- ~~2.~~ 3. The ~~total~~maximum amount of annual remuneration that may be paid by the Company to all of its directors ~~as remuneration~~in their capacity as such in accordance with the provisions of ~~section 1~~sections 1 and 5 of this article will not exceed the amount determined for that purpose by the General Meeting of shareholders through the remuneration policy of directors. The amount so fixed by the Meeting will be maintained until modified by a new resolution of the General Meeting of shareholders, in accordance with the provisions of applicable legislation.

The specific determination of the corresponding amount in the aforesaid categories for each of the directors ~~will be made by~~in their capacity as such correspond to the Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, in accordance with the director remuneration policy. To that end, it will take account of the positions filled by each director within the collegial body and the

director's membership on the various committees and attendance at their meetings.

3. ~~4.~~ Directors ~~performing~~who are entrusted with executive duties by virtue of any title in addition will be entitled to receive the remuneration for performance of those responsibilities contemplated in the contract entered into for that purpose between the director and the Company, in accordance with the provisions of the remuneration policy of directors.
4. ~~5.~~—The Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, fixes the remuneration of ~~the~~each directors for performance of their executive duties conferred upon it, and, with the required legal majority, approves the contracts of inside directors with the ~~e~~Company, which must be adapted to the remuneration policy approved by the General Meeting and the provisions of law.
5. ~~6.~~—In addition to the remuneration scheme contemplated in the foregoing sections, the directors will be entitled to be compensated by way of the delivery of shares, or by delivery of option rights on shares or by remuneration indexed to the value of shares, provided that the application of any such remuneration scheme is previously resolved by the General Meeting of shareholders. That resolution, if applicable, will determine the maximum number of shares that may be assigned in each year to this system of remuneration, the exercise price or the system for calculation of the exercise price of stock options, the value of the shares, if any, taken as a reference and the term of the plan.
6. ~~7.~~—The director remuneration policy will be adjusted as applicable to the remuneration scheme contemplated in these articles, will be of the legally-contemplated scope and will be submitted by the Board of Directors for approval of the General Meeting of shareholders with the frequency established by law.
7. In addition, all board members will receive appropriate compensation for their travel expenses arising from attendance at meetings of the Board of Directors and the committees to which they belong.
8. The Company shall take out civil liability insurance for its directors.

SECTION III.- DELEGATE AND ADVISORY BODIES OF THE BOARD OF DIRECTORS

~~Article 41.— Delegate~~ Article 41. — Delegated and Advisory Bodies of the Board of Directors

1. Without prejudice to the powers of attorney that may be granted to any party, the Board of Directors can set up a permanent Executive Committee composed of at least three and at most seven members, and it may also appoint a Managing Director at the proposal of the Chairman of the Board of Directors; any and all powers that can be delegated in accordance with applicable regulations can be delegated, in full or partially, to such parties temporarily or permanently. The delegation and appointment of

members of the Board of Directors to hold such positions shall require a vote in favour by two thirds of the members of the Board of Directors in order to become valid and shall not take effect until entered at the Trade Registry.

2. The Board must set up an Audit and Control Committee and an ~~Appointment and~~ Appointments, Remuneration and Sustainability Committee with disclosure, supervision, advisory and proposal powers in relation to their spheres of authority, as specified herein and implemented in the Board of Directors Regulations and, where appropriate, in their own Regulations.
3. Likewise, the Board may set up other committees with consulting or advisory duties, ~~notwithstanding the power to confer upon them certain decision-making powers in exceptional cases.~~

~~Article 42.~~ **Article 42. – Audit and Control Committee. Composition, authority and functioning**

1. The Board of Directors will establish a permanent Audit and Control Committee which will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors. The members of the Audit and Control Committee as a whole, particularly its Chairman, will be appointed on the basis of their knowledge and experience in accounting, auditing or risk management, both financial and non-financial, matters, and the majority of those members must be independent directors. The Board of Directors also will appoint one of the members of that Committee to act as the Chairman thereof. The position of Secretary of the Audit and Control Committee will be filled by the Secretary of the Board of Directors. The Committee members, shall have, as a whole, the technical knowledge necessary in relation to the Company's business sector.

The members of the Audit and Control Committee will hold office for a maximum term of three years, and may be re-elected one or more times for periods of the same maximum length.

The position of Chairman also will be exercised for a maximum of three years, at the end of which the Chairman may not be re-elected as such until one year has passed after leaving office, without prejudice to continuing or being elected as a member of the Committee.

2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee will exercise the following basic functions:
 - ~~a. Supervising the calculation of the fees received by the Management Company for performance of its duties.~~
 - a. ~~b.~~ Reporting to the General Meeting of shareholders regarding questions posed

by shareholders that fall within the scope of its authority and, in particular, with regards to the outcome of the auditing, explaining how it has contributed to the integrity of the financial information and the duties performed by the Committee during this process.

- b. ~~e.~~ Supervising the effectiveness of internal control of the Company and its Group, ~~as well as~~ the activity of the Company's internal audit function and its risk management systems. ~~d. Together, financial and non-financial, as well as, discussing~~ with the statutory auditors, analysing significant weaknesses of the internal control system detected during conduct of the audit, without undermining its independence. To this effect, and where applicable, shall submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.
- c. ~~e.~~ Supervising and evaluating the process of preparation and presentation of the mandatory financial and non-financial information, and present recommendations and proposals to the Board of Directors, directed at safeguarding its independence.
- d. ~~f. Making proposals~~ Submit to the Board of Directors for submission to the General Meeting of shareholders ~~concerning~~ the proposals for selection, appointment, re-election and replacement of ~~statutory~~ auditors, being responsible for the appointment process, in accordance with applicable legislation. ~~g. Supervising the activity of the Company's internal audit function, as well as the contracting conditions and receive regular information from them on the audit plan and on its implementation and preserve his independence in the performance of its duties.~~
- e. ~~h.~~ Establishing appropriate relationships with the statutory auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may pose a risk to their independence and any other matters relating to the audit process and, where appropriate, the authorizzsation of any of the services different from the prohibited services, in accordance with the applicable law, as well as any other communications provided for in audit legislation and other audit regulations. In any event, on an annual basis the Committee must receive from the statutory auditors written ~~confirmation~~ declaration of their independence ~~vis-à-vis~~ in relation with the Company or entities directly or indirectly related to it, in addition to individualizzed and detailed information on additional services of any kind rendered to and the fees received from these entities by the aforementioned external auditor, or persons or entities related to him, as provided in the audit legislation.
- f. ~~i.~~ Issuing annually, prior to the audit report, a report containing an opinion on whether or not the independence of the auditors or auditing companies is

compromised. This report must, in all cases, ~~express an opinion about~~ contain the reasoned evaluation of the provision of each of the additional services ~~referred to in the preceding paragraph.~~ ~~j. — Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.~~ mentioned in the section above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.

g. Inform about related transactions to be approved by the General Shareholders' Meeting or the Board of Directors.

h. k.—Reporting, prior to the Board of Directors meetings, on all matters contemplated in the law, the Articles of Association and the Board of Directors Regulations, in particular regarding: (i) the financial information and the management report, including, where appropriate, the required non-financial information that the Company is to publish periodically; (ii) the creation or acquisition of interests in special- purpose vehicles or entities domiciled in countries or territories that are considered to be tax havens; and (iii) ~~transactions with related parties; and (iv)~~ the economic conditions and their impact on the accounts and, where appropriate, the exchange rate applicable in corporate restructuring transactions performed by the Company.

i. Supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct.

j. Supervising the calculation of the fees received by the Management Company for performance of its duties.

k. Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.

l. Any others given to it by the Board of Directors in its corresponding Regulations.

3. The Audit and Control Committee will meet, ordinarily on a quarterly basis, in order to review the periodic financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It also will meet at the request of any of its members and when called by its Chairman. The Chairman is to call the meeting whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority. ~~There will~~

4. The Committee shall be ~~a quorum~~ validly convened when ~~one half plus one~~ the majority of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by an absolute majority vote. In the event of a tie, the Chairman

will have a casting vote.

5. ~~4.~~The Board of Directors may develop the foregoing set of rules in its corresponding Regulations.

~~Article 43.~~ Article 43. – Appointments ~~and~~, Remuneration and Sustainability Committee

1. The Board of Directors will constitute a permanent Appointments ~~and~~, Remuneration, Sustainability Committee, an internal body of an informational and advisory nature, with no executive functions, with rights of information, advice and proposal within the scope of its authority as indicated in section 2 of this article. The Appointments ~~and~~, Remuneration and Sustainability Committee will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors, on proposal of the Chairman of the Board. The majority of the members of the Appointments and Remuneration Committee will be independent directors. The Board of Directors also will appoint one of the members of that Committee to act as the Chairman thereof. The position of Secretary of the Appointments ~~and~~, Remuneration, and Sustainability Committee will be performed by the Secretary of the Board of Directors.

The members of the Appointments ~~and~~, Remuneration and Sustainability Committee will have knowledge, ability and experience appropriate to the functions they are called upon to perform.

The directors that are a part of the Appointments, Remuneration and ~~remuneration~~ Sustainability Committee will remain in that office for so long as their appointments as directors of the Company remain in effect, unless the Board of Directors resolves otherwise. Renewal, re-election and removal of the directors comprising the Committee will be governed by resolutions of the Board of Directors.

2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Appointments ~~and~~, Remuneration and Sustainability Committee will exercise the following basic functions:
 - a. Evaluating the skills, knowledge and experience required on the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.
 - b. Establishing a goal for representation of women on the Board of Directors, and developing guidance on how to achieve that goal.
 - c. Making proposals to the Board of Directors of independent directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for re-election or removal of those directors by the general shareholders meeting.

- d. Reporting on proposals for the appointment of the other directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for their re-election or removal by the General Meeting of shareholders.
 - e. Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.
 - f. Examining and organising the succession of the chairman of the Board of Directors and the chief executive of the Company and, if appropriate, making proposals to the Board of Directors so that that succession will occur in an orderly and planned manner.
 - g. Proposing to the Board of Directors the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the Board, ~~e~~Executive ~~e~~Committees or ~~m~~Managing ~~d~~Directors, as well as the individual remuneration and other contractual conditions of inside directors, ensuring compliance therewith.
 - h. [Evaluating and reviewing periodically the environmental and social sustainability policy and monitor the Company's environmental and social practices.](#)
3. [The Committee shall be validly convened when the majority of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by an absolute majority vote. In the event of a tie, the Chairman will have a casting vote.](#)
4. ~~3.~~The functioning of the Appointments~~and~~, Remuneration [and Sustainability](#) Committee will be governed by the rules determined by the Board of Directors in its corresponding Regulations.

TITLE VII. FINANCIAL STATEMENTS AND PROFIT-SHARING

~~Article 44.~~ **Article 44. – Financial year and preparation of the financial statements**

1. The financial year shall begin on 1 January each year and end on 31 December.
2. The financial statement and management report shall be prepared in accordance with the structure, principles and indications contained in the provisions in force.
3. Within the first three months of the year, the Board of Directors shall prepare the financial statements, management report , including where appropriate the non-financial information statement and proposal for application of profit and, where appropriate, the consolidated financial statement and management report. The financial statement and management report , including where appropriate the non-financial information statement must be signed by all the board members. If the signature of any such parties is missing, this shall be noted in each of the documents lacking the signature, expressly

indicating the reason for such absence.

~~Article 45.~~ **Article 45. – Accounts auditors**

1. The Company's financial statement and management report, as well as the consolidated financial statement and management report, must be reviewed by accounts auditors.
2. The accounts auditors shall be appointed by the General Shareholders' Meeting prior to the end of the period to be audited, for a specific initial period that must be no less than three years nor longer than nine, starting from the date on which the first period to be audited begins, and they may be re-elected by the General Shareholders' Meeting in accordance with the terms set forth by law, once the initial period has elapsed.
3. The accounts auditors shall prepare a detailed report on the outcome of their activities, pursuant to accounts auditing legislation.

~~Article 46.~~ **Article 46. – Approval of financial statements and application of profits**

1. The Company's financial statements and consolidated financial statements shall be submitted to the General Shareholders' Meeting for approval.
2. The General Shareholders' Meeting shall decide upon the application of profit for the year in accordance with the approved statement of financial position.
3. After fulfilling the obligations set forth herein or by law, dividends on account of period profit, or charged to available reserves, can only be shared out if the value of the net equity is not, or would not be, as a result of profit-sharing, lower than the share capital.
4. If the General Shareholders' Meeting agrees to pay dividends, it shall determine the time and method of payment, subject to the terms set forth herein. The establishment of these terms and any others that may be necessary or advisable to render the resolution enforceable may be delegated to the Board of Directors.
5. The General Shareholders' Meeting or the Board of Directors can resolve to share out dividends on account, with the restrictions, and meeting the requirements, established under applicable regulations.
6. The General Shareholders' Meeting or, as the case may be, the Board of Directors in the case of interim dividends amounts, can rule that the dividend be paid fully or partially in kind, provided that the assets or securities to be distributed are homogeneous, trading thereof is allowed on an official market at the time the resolution enters into force or the liquidity thereof within one year is duly secured by the Company and they are not distributed at a value that is inferior to that stated in the Company's statement of financial position.
7. Dividends shall be paid out to shareholders in proportion to the share capital they have paid out.

~~Article 47. — Special rules for payment of dividends~~

Article 47. — Approval of financial statements and application of profits

1. Right to receive dividends. Any parties listed as legitimate holders in the accounting records of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal (Iberclear)* at 11:59 pm on the date on which the General Shareholders' Meeting or, where appropriate, the Board of Directors meeting, has decided upon the distribution shall be entitled to receive the dividend.
2. Enforceability of the dividend. Unless there is an agreement otherwise, the dividend shall be enforceable and payable 30 days after the date of the decision adopted by the General Meeting or, where appropriate, that on which the Board of Directors has agreed to the distribution.
3. Compensation. In the event that the distribution of a dividend gives rise to the obligation for the Company to pay the special tax set forth in article 9.2 of the SOCIMI Act, or the regulation replacing it, the Company's Board of Directors can demand that the shareholders leading such tax to be levied compensate the Company.

The sum of this compensation shall be equal to the Company Income Tax expense derived for the Company from the dividend payment, which is the taxable base for the accrual of the special tax, plus the amount, after deducting the income tax levied on the total compensation amount, that compensates for the expense derived from the special tax and the relevant compensation.

The compensation amount shall be calculated by the Board of Directors, notwithstanding the permission that may be granted to delegate such calculation to one or more board members. Unless there is an agreement otherwise by the Board of Directors, the compensation shall be enforceable on the day prior to payment of the dividend.

By way of an example, the compensation has been calculated below for two different cases, showing that the compensation has no effect whatsoever on the Company's income statement in either case:

- a) Assuming a gross dividend of 100, a special Company Income Tax of 19% and a Company Income Tax of 0 % for income attained by the Company, the compensation would be calculated as follows:

Dividend: 100

Special tax: $100 \times 19\% = 19$

Special Company Income Tax expense ("GISge"): 19

Compensation ("I"): 19

Taxable CIT base for the compensation ("Bli"): 19

CIT expense related to the compensation ("GISi"): 0

Effect on the company: $I - GIS_{ge} - GIS_i = 19 - 19 - 0 = 0$

- b) Assuming a gross dividend of 100, a special Company Income Tax of 19% and a Company Income Tax of 10 % for income attained by the Company, the compensation, rounded to the nearest cent, would be calculated as follows:

Dividend: 100

Special tax: $100 \times 19\% = 19$

Special Company Income Tax expense ("GISge"): 19

Compensation ("I"): $19 + 19 = 38$

Taxable CIT base for the compensation ("Bli"): 21.11

CIT expense related to the compensation ("GISi"): $21.11 \times 10\% = 2.11$

Effect on the company: $I - GIS_{ge} - GIS_i = 21.11 - 19 - 2.11 = 0$

4. Right to compensation. The compensation shall be deducted from the dividend to be paid to the shareholder causing the obligation to pay the special tax.
5. Withholding right due to breach of Additional Benefits. In the event that the dividend is paid before the deadlines stipulated for compliance with the additional benefit, the Company can withhold from any shareholders or holders of economic rights to Company shares, an amount equal to the sum of the compensation that such party may, potentially, be required to pay if they have not yet furnished the information and documents required under article 8.1 herein above. Once the additional benefit has been met, the Company shall refund the amounts withheld from shareholders that are not required to compensate the Company.

Likewise, if the additional benefit is not met within the established deadlines, the Company can also withhold payment of the dividend and offset the amount withheld with the compensation sum, paying the shareholder the remaining difference, should there be any.

6. Other rules. In any cases in which the total amount of the compensation gives rise to losses for the Company, the Board of Directors can demand a lesser sum, calculated in accordance with the terms of paragraph 3 herein.

~~Article 48.~~ **Article 48. – Deposit of approved Financial Statements**

The Board of Directors shall submit the Company's financial statements and management reports, as well as any consolidated financial statements and management reports, to the Trade Registry within the jurisdiction of its registered address, along with the relevant financial statement audit reports and other statutory documents, in the terms and within the deadlines set forth by law for such deposit in the said Registry.

TITLE VIII.- DISSOLUTION AND LIQUIDATION

~~Article 49.~~ **Article 49. – Causes of dissolution**

The Company shall be dissolved:

- a) By a decision at a General Shareholders' Meeting expressly called to such end and adopted pursuant to the terms set forth herein; and
- b) In any other cases established under applicable regulations.

~~Article 50.~~ **Article 50. – Liquidation**

1. Once the Company has been dissolved, the liquidation period shall commence, except in the cases of merger or a complete spin-off or any other transfer of all the assets and liabilities as a whole.
2. At the same General Shareholders' Meeting at which the decision to dissolve the Company was adopted, the grounds for liquidation shall be established, and such process shall be implemented by ~~an odd~~the number of liquidators appointed for such purpose by the General Shareholders' Meeting.
3. From the time that the Company declares liquidation, the ~~administrative body's~~Board of Directors' power to represent the Company in entering into new contracts or creating new obligations shall expire, and the liquidators shall take on all the duties attributed to them under applicable regulations.
4. In relation to the course of the liquidation, division of the company's assets and cancellation at the relevant Registry, the terms of applicable regulations shall apply.
5. The General Shareholders' Meeting shall maintain the same powers it held during the Company's ordinary course of business throughout the liquidation period and it shall be specially authorised to approve the liquidation financial statement and final liquidation statement of financial position.

~~Article 51.~~ **Article 51. – Ensuing assets and liabilities**

1. Once the registry entries related to the Company have been cancelled, should the Company have any assets, the liquidators must allocate the additional share corresponding to the former shareholders, after converting the assets into cash, if necessary.

If six months have elapsed since the liquidators were summoned to comply with the

terms of the preceding paragraph, and the former shareholders have not been allocated their additional share, or in the absence of liquidators, any interested party can appear before a Commercial Court Judge in the jurisdiction of the latest registered company address to request a party be appointed to substitute them in the course of their duties.

2. The former shareholders shall be jointly and severally liable for outstanding company debts up to the limit of the amount they received as a liquidation share, notwithstanding the liquidators' liability in the event of negligence or fault.
3. In compliance with formal requirements in relation to legal documents prior to the cancellation of the Company's registry entries, or whenever necessary, the former liquidators can formalise legal documents on the defunct Company's behalf subsequent to the cancellation of the Company in the relevant Registry. In the absence of liquidators, any interested party can appear before a Commercial Court Judge in the jurisdiction of the latest registered company address to request that the latter formalise such documents.

~~Article 52.~~ **Article 52. – Jurisdiction for conflict resolution**

In relation to any legal issues that may arise between the Company and the shareholders as a result of company matters, both the Company and the shareholders expressly submit to the jurisdiction of the Company's registered address, waiving their rights to other jurisdictions, except in cases in which applicable regulations impose another jurisdiction.



Report by the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. in connection with the amendment of the Rules of the General Shareholders' Meeting



Report by the Board of Directors of LAR ESPAÑA REAL STATE SOCIMI, S.A. in connection with the amendment of the Rules of the General Shareholders' Meeting

I. INTRODUCTION AND REPORT OBJECT

- On 26 June 2020 the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) published the **partial reform of the Good Governance Code for Listed Companies** ("CBG"), which updates and adapts several Recommendations of the CBG to various legal amendments approved since its publication and clarifies the scope of others; it also introduces relevant innovations in areas such as diversity on Boards of Directors, information and non-financial risks, attention to sustainability aspects in environmental, social and corporate governance matters and clarification of aspects relating to directors' remuneration, among others.
- In turn, it has been taken into account that on 12 October 2020, **Circular 1/2020, of 6 October, of the National Securities Market Commission (CNMV)** was published in the Official State Gazette (BOE), amending the Annual Corporate Governance Report ("ACGR") and the Annual Report on Directors' Remuneration models, whose **transitional provision** establishes, in relation to the CBG Recommendations amended in June, the adaptation of the corporate texts and/or policies affected in order to consider them fully complied with in the ACGR corresponding to financial year 2020 or, if necessary, the adaptation of the Articles of Association or the Rules of the General Shareholders' Meeting.
- Likewise, the reform has also been used as an opportunity to propose certain **technical and coordination improvements** to certain articles of the Rules of the Shareholder Meeting.
- Accordingly, this Report is drawn up by the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (the "**Company**") justifying the reasons for the proposed amendment of the Rules of the Shareholder Meeting submitted for approval by the Ordinary General Shareholders' Meeting, in order to explain:
 - the **amendment** of the current articles 2 ("Interpretation and disclosure"), 3 ("The General Shareholders' Meeting"), 4 ("Type of General Shareholders' Meeting"), 5 ("Authority of the General Shareholders' Meeting"), 6 ("Call for the General Shareholders' Meeting"), 7 ("Notice of call"), 8 ("Publication of information after the date of the notice on the website of the Company"), 9 ("Right to information prior to the holding of the General Shareholders' Meeting"), 11 ("Right to attend"), 12 ("Attendance by third parties to the General Shareholders' Meeting"), 13 ("Attendance by proxy"), 14 ("Public call for proxy representation"), 16 ("Organisation, technical resources and venue of the General Shareholders' Meeting"), 17 ("Formation of the General Shareholders' Meeting. Special cases"),



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

18 (“Officers of the General Shareholders’ Meeting”), 20 (“Registration of shareholders”), 21 (“Attendance list”), 22 (“Request to address the meeting”), 24 (“Right to receive information during the General Shareholders’ Meeting”), 26 (“Remote voting”), 27 (“Voting on proposed resolutions”), 28 (“Conflict of interests”), 30 (“Minutes of the General Shareholders’ Meeting”) y 31 (“Publicity of resolutions”);

- the incorporation of the new article **26 bis (“Attendance at the General Meeting by telematic means”)**;
- the **elimination** of the current article 32 (“Approval and amendment”) and the Title V (“Approval and amendment”) of the General Shareholders’ Meeting; so as
- the **approval** of a **revised text** which takes account of all the proposed amendments.

II. GENERAL JUSTIFICATION OF THE PROPOSAL

a) Amendments resulting from the partial reform of the Good Governance Code for listed companies in June 2020:

- It is proposed to amend **article 8 (“Publication of information after the date of the notice on the website of the Company”)** to: (i) include a reference to the *“rules for attendance by telematic means”*; (ii) complete the information of persons to be proposed for appointment, re-election or ratification as directors according to CBG Recommendation 8; and (iii) delete the reference to the *“report on the corporate social responsibility policy”* in line with its elimination from CBG Recommendation 6 of June 2020.
- It is proposed to complete **article 13 (“Attendance by proxy”)** to expressly state, in line with the provisions of the article on voting by telematic means, that proxies may be granted by postal correspondence, electronic correspondence or other telematic means of communication determined by the Board, provided that they meet *“appropriate guarantees of identification of the shareholder delegating his vote and of the proxy he appoints and, as the case may be, the security of electronic communications”*, in accordance with the provisions of articles 189, 521 and 522 of the consolidated text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July (“LSC”), adapting this article to **Recommendation 7 of the CBG** amended in June 2020.
- It is proposed to incorporate into article 16.1 (“Organization, technical resources and venue of the General Shareholders’ Meeting”) the **live webcasting of the General Meetings, in accordance with Recommendation 7 of the CBG** amended in June 2020, and also in accordance with the Company's usual practice.

- It is proposed to amend **article 26 ("Remote voting")** to expressly include that this may be done by **electronic correspondence**, guaranteeing *"the security of electronic communications"*, in accordance with the provisions of articles 189 and 521 of the LSC. In this way, the Rules would be fully adapted to **Recommendation 7 of the CBG** amended in June 2020, all in accordance with the proposed amendment to the Articles of Association.

In this connection, it is proposed to replace the current heading with "Casting of votes by remote means of communication prior to the General Shareholders' Meeting".

- It is proposed to incorporate a **new article 26 bis ("Attendance at the General Meeting by telematic means")** into the Articles of Association, for the purpose of incorporating **Recommendation 7 of the CBG**, which aims to encourage the participation of shareholders in General Meetings as much as possible. Likewise, the current health alert situation arising from the Covid-19 pandemic has highlighted the importance of the Board of Directors of listed companies being able to enable shareholders and their proxies to attend General Meetings by telematic means, in accordance with the provisions of current articles 182 and 521 of the LSC.

b) Technical amendments:

- It is proposed to amend article 2 ("Interpretation and disclosure") in order to; (i) clarify the wording of section 1 in that the Rules shall be interpreted in accordance with the recommendations on corporate governance of listed companies *"established by supervisory bodies or other bodies of recognised prestige assumed by the Company"*, (ii) incorporate a new section 2 relating to the interpretation of the Rules, for which reason it is proposed to change the heading of the article to "Interpretation, modification and disclosure", and (iii) introduce as a new section 3 the provisions relating to the amendment of the Rules (currently provided for in the current article 32 of the Rules).
- It is proposed to complete section 3 of article 3 ("The General Shareholders' Meeting") in the terms provided in article 514 of the LSC, in the wording given by Law 11/2018 of 28 December, in relation to the fact that the Company *"should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote"*.
- It is proposed to amend article 4 ("Types of General Shareholders' Meetings") in order to: (i) adapt section 2 to the wording of article 164.1 of the LSC, incorporating that Ordinary Meetings shall deal with *"other legally enforceable matters"* (such as, for example, the Annual Report on Directors' Remuneration) and that *"the General Shareholders' Meeting shall be valid even if it is called or held after such deadline"*; (ii) delete from section 3 the provisions on the calling of meetings by the minority,

since this is already regulated in article 6 of the Rules; and (iii) delete the section on Universal General Meetings, since it is highly unlikely that this circumstance could arise in a listed company, without prejudice to the fact that, in any case, the provisions of article 178 of the LSC are applicable even if they are not expressly included in the Rules.

- It is proposed to complete and adapt the powers of the General Shareholders' Meeting set out in article 5 ("Authority of the General Shareholders' Meeting"), in accordance with the provisions of article 49.6 of the Commercial Code, as amended by Law 11/2018 of 28 December and articles 297.1.a), 160 letters e) and i), 511 bis.1.a), 219 and 230.2 of the LSC.
- It is proposed to expressly include in section 3 of article 6 ("Call for the General Shareholders' Meeting") the deadline for calling the Meeting requested by the minority, in accordance with article 168 of the LSC, adapting section 4 in accordance with articles 169 and 170 of the LSC with regard to the calling of the Meeting by the legal Secretary or Commercial Registrar of the registered office.
- It is proposed to complete article 7 ("Notice of call") in accordance with the provisions of article 517 of the LSC, also incorporating that *"the announcement of call to meeting shall also indicate the right to examine at the registered office and/or to obtain, immediately and free of charge, the documents to be submitted for approval by the shareholders at the General Shareholders' Meeting, in the cases provided for in the Law"*, in accordance with articles 272.2, 529 novodecies.2 and 287 of the LSC, among others, and eliminating the provisions that are repetitive.
- It is proposed to complete article 8 ("Publication of information after the date of the notice on the website of the Company") with the information provided for in article 518, letters a) to f), of the LSC; to eliminate the mention *"where appropriate"* with respect to the instructions to exercise or delegate voting by telematic means, the existence of such means is mandatory for listed companies in accordance to articles 521.1 and 522.3 of the LSC; and to complete the reference to the report *"of the Audit and Control Committee"* on the independence of the auditor, as provided for in article 529 quaterdecies.4 .f) of the LSC.
- It is proposed to incorporate systematic and drafting clarifications to article 9 ("Right to information prior to the holding of the General Shareholders' Meeting"), eliminating provisions already included in other articles of the Rules and completing, on the one hand, certain sections regarding the request by shareholders for information *"on the auditor's report"*, in accordance with article 520.1 of the LSC and, on the other, the reference to information in question-answer format when it is available *"prior to the formulation of a specific question"*, in accordance with Article 520.3 of the LSC.



- It is proposed to amend article 11 ("Right to attend") in order, without changing the substantive regime of the general right to attend, to adapt it to the possibility of attendance by telematic means at general Meetings and their proxies, by deleting *"if the shareholder is exercising his right to vote using remote communication means, then this condition shall be required to be met also by reference to the time of such exercise"* since article 26 already states that *"shareholders with the right to attend"* may make use of this means.
- It is proposed to amend article 13 ("Attendance by proxy") in order to: (i) coordinate the provisions on priority between proxy and voting by remote means of communication with other articles of the Rules and with the Articles of Association, including a reference to attendance by telematic means at the General Meeting; (ii) coordinate the time period provided in section 4 with respect to the receipt of the proxy granted by remote means of communication with that provided in this respect for the casting of votes by remote means of communication; and (iii) replace in section 8 the reference to the Chairman of the Board with the Chairman of the General Meeting, likewise coordinating the provisions regarding proxy instructions with those contemplated in this respect in the model attendance, proxy and remote voting card published by the Company in the last Meetings.
- It is proposed to complete article 14 ("Public call for proxy representation") in accordance with article 526.1 of the LSC, including some drafting clarifications.
- It is proposed to amend article 17 ("Formation of the General Shareholders' Meeting. Special cases") to complete the cases of reinforced majority constitution with *"the increase or reduction of the share capital"*, in accordance with article 194.1 of the LSC, eliminating, on the one hand, that relating to *"liquidation of the Company"*, since it is not included either in article 194 of the LSC, eliminating, on the one hand, the reference to *"liquidation of the company"*, since this is not included in either article 194 of the LSC or in the corresponding article of the Articles of Association and, on the other, the references to qualified majorities for voting, since such majorities are provided for in article 29 of the Rules of the General Shareholders' Meeting.
- It is proposed to specify in article 18 ("Officers of the General Shareholders' Meeting") that the substitution of the Chairman of the Board as Chairman of the General Shareholders' Meeting and the Secretary of the Board as Secretary of the General Shareholders' Meeting shall take place *"in the event of vacancy, absence or illness"*, and to establish that in the absence of the referred persons, *"the member of the Board of Directors appointed by the Officers of the General Shareholders' Meeting"* shall act as Chairman and Secretary of the General Shareholders' Meeting, as this is a simpler procedure to apply in practice than the one currently envisaged.



- It is proposed to delete from article 20 ("Registration of shareholders") for systematic reasons the provision that shareholders casting their votes remotely shall be counted as present for the purposes of the constitution of the General Meeting, which is already included in article 26 of the Rules.
- It is proposed to amend article 21 ("Attendance list") in order to: (i) replace the obligation to read the notice of call with a reference to the essential details of the same, establishing its reading as optional at the discretion of the Chairman, all in order to expedite the development of the Meeting; (ii) incorporate the possibility of establishing an initial provisional quorum, which will precede the definitive quorum, also with a view to speeding up the Meeting; and (iii) establish the possibility of providing shareholders and proxies arriving late to the Meeting with an invitation to follow the Meeting, even if they are not included in the list of attendees.
- It is proposed to complete section 1 of article 22 ("Requests to address the Meeting") in accordance with the provisions of article 520.1 LSC (shareholders may request information or clarification, in addition to the items on the agenda, *"of the information accessible to the public that the Company has provided to the Comisión Nacional del Mercado de Valores since the last General Meeting and of the auditor's report"*), specifying that proposals may be made *"in legally permitted cases"*, these are those provided for in articles 223.1, 224 and 238.1 of the LSC.
- It is proposed to complete section 2 of article 24 ("Right to receive information during the General Shareholders' Meeting") with a reference to the information in question-answer format provided for in article 520.3 of the LSC, eliminating in turn that *"all written answers provided by the directors shall be posted on the Company's corporate website"*, since according to article 197.1 of the LSC this publication on the website is only applicable to requests for information made prior to the holding of the General Meeting.
- It is proposed to incorporate in a new section 3 of article 26 ("Remote voting") the rules to be applied in the event that the cards do not include express instructions or only included in respect of certain items on the agenda, as well as to amend section 5 to coordinate the provisions on priority between proxy and voting by remote means of communication with other articles of the Rules and with the Articles of Association, including a reference to attendance by telematic means at the General Meeting.
- It is proposed to amend article 27 ("Voting on proposed resolutions") in order to: (i) eliminate the current provision according to which the reading of the proposals shall not be necessary when they have been provided to the attendees on the day of the Meeting, for another that establishes that their prior reading shall not be necessary when the referred proposals have been made available to the



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shareholders previously to the holding of the Meeting (which would include their publication on the website for the legally established time), also establishing their reading as optional at the discretion of the Chairman, all with the aim of speeding up the development of the Meeting; (ii) incorporate technical and drafting clarifications to the rules of presumption of the shareholders' vote in section 5, without modifying the substantive regime of the rules used to date; and (iii) eliminate repetitive provisions.

- It is proposed to incorporate a new section 2 to article 28 ("Conflict of interest") in accordance with the provisions of article 190.2 of the LSC regarding cases of shareholders conflicts of interest other than those involving privation of voting right.
- It is proposed to replace, in article 31 ("Publicity of resolutions"), communication of "*hecho relevante*" with "*otra información relevante*", in accordance with article 227 of the Securities Market Law and the procedure for communication of information from issuers enabled by the CNMV since 8 February 2020.
- It is proposed to delete the existing article 32 ("Approval and amendment") of the Rules, together with Title V ("Approval and amendment") for systematic reasons, moving the paragraph concerning the amendment of the Rules to article 2, and deleting the first paragraph as its provisions are already included in other General Meeting Rules.
- Likewise, the name of the "attendance, proxy and remote voting card" is also unified in articles 8, 11, 13, 20, 21 and 26 of the Rules of the General Meeting.
- Finally, specific drafting clarifications are included in articles 6 ("Call for the General Shareholders' Meeting"), 12 ("Attendance by third parties to the General Shareholders' Meeting"), 18 ("Officers of the General Shareholders' Meeting"), 21 ("Attendance list"), 22 ("Requests to address the meeting"), 24 ("Right to receive information during the General Shareholders' Meeting"), 26 ("Remote voting"), 27 ("Voting on proposed resolutions") and 30 ("Minutes of the General Shareholders Meetings").

III. SEPARATE VOTES BY SUBJECT

In relation to the proposed amendment of the Rules of the General Meeting submitted for approval by the Ordinary General Meeting of Shareholders, a separate vote shall be taken on each article or group of articles that have their own autonomy, in accordance with the provisions of article 197 bis of the LSC.

IV. ANNEX



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In order to provide a detailed explanation of each of the proposed amendments to the Rules of the General Shareholders' Meeting, the text comparing the current Rules of the General Shareholders' Meeting and the proposed amendment thereto is annexed as an annex to this report.

ANNEX

Proposed amendment to the Rules of the General Shareholders' Meeting of Lar España Real Estate SOCIMI, S.A.



ITEM NINE ON THE AGENDA

Approval, if appropriate, of the amendments to the General Shareholders Meeting Regulations

RESOLUTION

Following the mandatory report from the Board of Directors, approve the amendments to the following articles of the General Shareholders Meeting Regulations: article 2 (Interpretation, modification and disclosure), article 3 (The General Shareholders' Meeting), article 4 (Types of General Shareholders' Meetings), article 5 (Authority of the General Shareholders' Meeting), article 6 (Call for the General Shareholders' Meeting), article 7 (Notice of call), article 8 (Publication of information after the date of the notice on the website of the Company), article 9 (Right to information prior to the holding of the General Shareholders' Meeting), article 11 (Right to attend), article 12 (Attendance by third parties to the General Shareholders' Meeting), article 13 (Attendance by proxy), article 14 (Public call for proxy representation), article 16 (Organisation, technical resources and venue of the General Shareholders' Meeting), article 17 (Formation of the General Shareholders' Meeting. Special cases), article 18 (Officers of the General Shareholders' Meeting), article 20 (Registration of shareholders), article 21 (Attendance list), article 22 (Requests to address the meeting), article 24 (Right to receive information during the General Shareholders' Meeting), article 26 (Casting of votes by remote means of communication prior to the General Shareholders' Meeting), inclusion of article 26 bis (Attendance at the General Meeting by telematic means), article 27 (Voting on proposed resolutions), article 28 (Conflict of interests), article 30 (Minutes of the General Shareholders' Meeting) and article 31 (Publicity of resolutions).

The main purpose of these amendments is to incorporate certain improvements on corporate governance matters that derive from the latest update to the Good Governance Code of Listed Companies, approved on June 26, 2020, and that must be reflected in the General Shareholders Meeting Regulations, as well as the purpose of incorporating certain technical improvements.

The referred articles of the General Shareholders Meeting Regulations will be submitted to vote in the following groups of articles:

9.1 Amendments regarding the interpretation, amendment and publication of the General Shareholders Meeting's Regulations

"Article 2.- Interpretation, modification and disclosure

1. *These Rules supplement the statutory and regulatory regimes applicable to the General Shareholders' Meeting under current regulations and the Company's Articles of Association. The Rules shall be construed in accordance with the applicable statutory and bylaw provisions and the principles and recommendations on the corporate governance of listed companies established by supervisory bodies or other bodies of recognised prestige assumed by the Company.*

2. *Any doubts that may arise in relation to its interpretation and application shall be resolved by the Board of Directors, and any doubts that may arise during the General Shareholders' Meeting shall be resolved by its Chairman.*



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3. *The Board of Directors may submit any proposal to amend these Rules to the General Shareholders' Meeting whenever deemed necessary or convenient. The directors shall include with the proposal a report explaining such amendment(s).*

4. *The Board of Directors of the Company shall approve appropriate measures so that these Rules become widely available to shareholders and investors generally. Specifically, a copy of the current version of these Rules shall be provided to the Spanish Securities and Exchange Commission (CNMV), accompanied by a copy of the document in which it is recorded and the text of these Rules shall be registered with the Spanish Commercial Register and posted on the Company's corporate website at www.larespana.com as well as on the website of the CNMV as directed by current regulations and these Rules."*

9.2 Amendments regarding the kinds and the powers of the General Shareholders Meeting

"Article 3.- The General Shareholders' Meeting

1. *The General Shareholders' Meeting is the highest decision-making and supervisory body of the Company regarding any matters reserved to it and serves as a vehicle to channel the right of shareholders to participate in the decision-making process regarding fundamental decisions of the Company.*

2. *The General Shareholders' Meeting, duly called and formed, represents all shareholders in the Company. All shareholders -including non-attending and dissenting shareholders- are subject to and bound by the resolutions passed by the General Shareholders' Meeting regarding any matters reserved to it, without prejudice to their rights to challenge any such resolutions under applicable laws.*

3. *The Company shall ensure, at all times, equal treatment for all shareholders who are in identical condition with regard to information, participation and exercise of the right to vote at the General Shareholders' Meeting.*

In particular, it should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote."

"Article 4.- Types of General Shareholders' Meetings

1. *General shareholders' meetings may be held as ordinary or extraordinary meetings.*

2. *An ordinary General Shareholders' Meeting shall necessarily be held within the first six months of each year to, where appropriate, approve the management of the company, approve the financial statements for the preceding financial year and resolve on the distribution of earnings, without prejudice to all other legally enforceable matters and to its authority to deliberate and decide on any other matter listed in the agenda. The General Shareholder's Meeting shall be valid even if it is called or held after such deadline.*

3. *Any General Shareholders' Meeting other than the above meeting shall be an extraordinary General Shareholders' Meeting."*



"Article 5.- Authority of the General Shareholders' Meeting

The General Shareholders' Meeting may decide on all matters reserved to it by Law, the Articles of Association or these Regulations. Specifically, the General Shareholders' Meeting may:

- a. Approve the individual and consolidated financial statements and decide on the allocation of the result and approve the social management.*
- b. Approve, where appropriate, the non-financial information statement.*
- c. Appoint and remove the directors, liquidators and auditors, as well as bring corporate action for liability against any of them, and ratify directors appointed by co-option.*
- d. Approve any increase or reduction of the share capital, as well as the delegation to the Board of Directors of the authority to increase the share capital and lay down its terms and conditions in all matters not provided by the General Shareholders' Meeting.*
- e. Approve the suppression or limitation of pre-emptive subscription rights, without prejudice to the possible delegation to the Board of Directors under the terms provided by law.*
- f. Resolve on the issuance of debt instruments and other negotiable securities, as well as the delegation to the Board of Directors of the authority to issue such instruments and to remove or otherwise restrict any preferential subscription rights otherwise held by shareholders upon such issues.*
- g. Approve any conversion, merger, spin-off, global assignment of the assets and liabilities of the Company and the change of the registered address to a foreign location.*
- h. Approve any amendment to the Articles of Association of the Company, under regulations applicable from time to time.*
- i. Approve the dissolution and liquidation of the Company, the final liquidation balance sheet and approve any other operations whose effect may be equivalent to a liquidation of the Company.*
- j. Approve the transfer to dependent entities of essential functions so far carried out by the Company itself, even in circumstances where the Company retains full ownership thereof.*
- k. Approve the acquisition, disposal or contribution of core assets to other company.*
- l. Approve the remuneration policy for directors under applicable laws.*
- m. Approve the establishment of remuneration systems for the Company's Directors consisting of the delivery of shares rights over them or which are indexed to the value of the shares.*
- n. Approve related-party transactions whose approval corresponds to the General Shareholders' Meeting under the terms provided by Law and the Company's corporate governance rules.*
- o. Exempt any directors from the prohibitions on conflict of interest when the Law necessarily attributes this power to the General Shareholders' Meeting.*



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- p. Authorise the acquisition of the Company's own shares from other shareholders.*
- q. Approve these Rules and any amendments thereof.*
- r. Decide on any matters submitted to it for deliberation and approval by the Company's Board of Directors."*

9.3 Amendments regarding the call and the preparation of the General Shareholders Meeting

"Article 6.- Call for the General Shareholders' Meeting

- 1. Without prejudice to the regulations governing the power of courts to call the General Meeting, General Shareholders' Meetings shall be called by the Board of Directors of the Company.*
- 2. The Board of Directors shall call the ordinary General Shareholders' Meeting within the legally term established, and may call an extraordinary General Shareholders' Meeting whenever it deems it convenient for the interest of the Company.*
- 3. The Board of Directors must also call the General Shareholders' Meeting when requested by shareholders holding at least 3% of the share capital. The request shall include a list of the issues to be discussed at the General Shareholders' Meeting. In this case, the General Shareholders' Meeting shall be called to be held within two months of the date on which the Board was notarially requested to convene it. The Board of Directors must include in the agenda the issue or issues listed by the requesting shareholders.*
- 4. If the ordinary General Meeting is not called within the statutory period set out in this article, the Meeting may be called, upon a request of any shareholder, after a hearing the members of the Board of Directors, by the Registrar of the Court or the Commercial Registry of the registered address of the Company, who shall also designate the Chairman and Secretary of such General Meeting. The same rule shall apply for an extraordinary General Meeting, following a request by the number of shareholders referred to in the previous section."*

"Article 7.- Notice of call

- 1. Ordinary and extraordinary general meetings shall be called by notice published in the Official Gazette of the Spanish Commercial Registry or one of the most widely distributed newspapers in Spain, on the Company's website, www.larespana.com and on the website of the Spanish Securities Market Commission (CNMV) at least one month before the date of the meeting (without prejudice to the provisions in paragraph 2 below and those meetings for which a longer period of notice is required by Law).*
- 2. If the Company offers shareholders the possibility to vote by electronic means available to all shareholders, then extraordinary meetings may be called at least fifteen days in advance.*
Any reduction of the notice period shall require a specific resolution passed at the ordinary General Meeting by shareholders holding at least two-thirds of the subscribed capital with voting rights. A decision to reduce the notice period shall only be valid until the date of the next meeting.
- 3. The notice shall disclose:*



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a. The name of the Company; the date, place and time of the meeting; the agenda including all items to be discussed; the date when, where appropriate, the General Shareholders' Meeting shall be held on second call, at least twenty-four hours must elapse between one and the other, and any other information required by applicable regulations from time to time. As far as possible, shareholders shall be advised that the meeting is expected to be held on first or second call.

b. The date on which the shareholder must have the shares registered in his name in order to be able to participate and vote at the General Meeting.

c. Where and how the full text of the documents and proposed resolutions may be obtained, and the address of the Company's website where the information will be available.

d. A clear and exact description of the procedures and deadlines that shareholders must comply with in order to request the publication of a supplement to the notice of an Ordinary General Shareholders' Meeting, submit reasoned proposals for resolutions, exercise their rights to information and representation, cast their vote and delegate their representation by remote means of communication, in the terms provided by Law and, where appropriate, exercise their right to attend the General Shareholders' Meeting by telematic means.

4. Likewise, the announcement of the call to meeting shall also indicate the right to examine at the registered office and/or to obtain, immediately and free of charge, the documents to be submitted for approval by the shareholders at the General Shareholders' Meeting, in the cases provided by Law.

5. Shareholders representing at least 3% of the share capital may request the publication of a supplement to the notice of call of the ordinary General Meeting, including in their request one or more items to be added to the agenda, provided that their request includes a rationale for the new items or, if applicable, a reasoned proposal for a resolution. Shareholders intending to exercise this right must do so by due notice (notificación fehaciente) to the Company, and such notice must be received at the registered address within five days after the publication of the notice of call. This supplement to the notice of call shall be published, at least, fifteen days before the date scheduled for the General Shareholders' Meeting.

6. Shareholders holding at least 3% of the share capital may also, within the same period set out in the preceding paragraph, submit reasoned proposals for resolutions regarding items already included or that should be included on the agenda for a General Shareholders' Meeting that has already been called. Such proposals substantiated shall be published on the Company's website www.larespana.com, in accordance with any statutory provisions applicable to the Company.

7. If a duly called General Shareholders' Meeting is not held on first call, and no date for a second call was stated in the notice, the notice of call for the adjourned meeting including in such notice the same agenda- must be published, subject to the same publicity requirements as the first notice, within fifteen days after the date of the initial meeting, at least ten days before the date of the adjourned meeting."

"Article 8.- Publication of information after the date of the notice on the website of the Company

1. In addition to any statutory or other requirements imposed by the Company's Articles of Association and these Rules, the Company shall, following the notice of call



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of the General Shareholders' Meeting, publish uninterruptedly on its website the following information:

- a. The announcement of the call.*
 - b. The total number of shares and voting right at the date of the call.*
 - c. The documents to be submitted to the General Meeting, in particular, the reports of directors, auditors and independent experts.*
 - d. The full text of the proposed resolutions drafted by the Board of Directors regarding each and every item on the agenda or, for items of a purely informative nature, a report from the competent bodies commenting on each of these items. As they are received, any proposed resolutions based on matters listed or to be listed in the agenda of the meeting as submitted by the shareholders under applicable laws, will be included as well as the supplement to the notice of call for the General Shareholders' Meeting, if applicable.*
 - e. In the case of appointment, ratification or re-election of members of the Board of Directors, the identity, curriculum vitae and category to which each of them belongs, as well as the proposal of the Board of Directors or of the Appointments, Remuneration and Sustainability Committee, as the case may be, and the legally required reports. In the case of a legal person, the information must include that corresponding to the natural person to be appointed for the permanent exercise of the functions inherent to the post.*
 - f. The forms to be used for voting by proxy and remote voting, except when they are sent directly by the Company to each shareholder. If they cannot be published on the website for technical reasons, the Company shall indicate on the website how to obtain the forms on paper, which shall be sent to any shareholder requesting them.*
- 2. After the date of the notice of call, the Company shall also publish on the Company's website all information deemed useful or convenient to facilitate the attendance and participation of the shareholders in the General Shareholders' Meeting, including without limitation:*
- a. The procedure, where appropriate, to obtain the relevant attendance, proxy and remote voting card.*
 - b. The instructions to exercise or delegate the vote through any remote voting procedures that have been provided for in the notice of call.*
 - c. Where applicable, the rules for attendance by telematic means.*
 - d. Information on the place where the General Shareholders' Meeting is to be held and instructions on how to get there and access such place.*
 - e. Information, where appropriate, on any systems or procedures intended to facilitate attendance at the General Shareholders' Meeting.*
 - f. Information on the procedure designed to allow shareholders to exercise their right to information.*
 - g. If the General Shareholders' Meeting is to deliberate on the appointment, confirmation or re-election of any directors, in addition to any other statutory or other information required by the Articles of Association- the following information (duly updated) will be published:*
 - i. Identity and the professional and biographical.*



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- ii. Other relevant boards of directors of which such director or directors are a member, whether or not the relevant company is a listed company.*
- iii. Details of the type of director and a reference, in the event of proprietary directors, to the shareholder represented by or otherwise related to such director.*
- iv. Date when the director was first appointed as a director of the Company, and dates of subsequent appointments.*
- v. Shares and share options in the Company held by such director.*
- g. A report of the Audit and Control Committee on the independence of the statutory auditor.*
- h. Reports on the operation of the Audit and Control and Appointments and Remuneration Committees.*
- i. A report from the Audit and Control Committee on Related-party Transactions."*

"Article 9.- Right to information prior to the holding of the General Shareholders' Meeting

1. From the date of publication of the notice of call for the General Shareholders' Meeting to the fifth day (inclusive) before the date scheduled for such meeting, shareholders may request from the Board of Directors any information or clarifications they deem appropriate regarding the items on the agenda or ask the relevant questions in writing.

Furthermore, within the same period and in the same manner, shareholders may request in writing any clarifications they deem necessary regarding any information accessible to the public that the Company may have provided to the CNMV since the date of the last General Shareholders' Meeting and regarding the auditor's report.

2. Any information may be requested by serving a notice of request at the registered office or by letter to the Company or otherwise through other remote means of communication specified in the relevant notice of call, under a resolution adopted for this purpose by the Board of Directors and which incorporates mechanisms that offer adequate guarantees of authenticity and identification of the shareholder exercising his right to information.

3. Whatever the means used to submit his request for information, the shareholder shall include in the request his name and surname and detail the number of shares held by it, so that such information may be compared with the list of shareholders and the number of shares reported by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) or other entity, for the relevant General Shareholders' Meeting. The shareholder shall have the burden of proof that the request was duly and timely sent to the Company.

4. The directors shall provide any information requested in writing, once the identity and status of the applicant as a shareholder has been verified up to the date of the General Shareholders' Meeting, except if:

a. the information is not necessary for the protection of the rights of the shareholder, or whenever there are objective reasons to believe that the information is intended for purposes unrelated to the Company or that disclosure thereof shall harm the Company or any related companies.



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Notwithstanding the exceptions of this section, the directors may not refuse to provide the relevant information if the request is submitted by shareholders representing at least 25% of the share capital of the Company.

b. the request for information or clarification does not refer to any items of the agenda or any information publicly available and provided by the Company to the CNMV after the date of the last General Shareholders' Meeting nor to the auditor's report; or

e. disclosure of the information is prevented under any statutory or regulatory provisions or decisions or for reasons of confidentiality.

5. When, prior to the formulation of a specific question, the requested information is clearly, expressly and readily available to all shareholders on the Company's corporate website under a "Q&A" format, the directors may answer the request simply by referring to the information available in such format.

6. The Board of Directors may authorise any director, the Chairpersons of any committees of the Board of Directors or the Company Secretary or Deputy Secretary to answer, in the name and on behalf of the Board, any requests for information submitted by shareholders.

7. The response to the information requested shall be provided through the same means used to request it, unless the requesting shareholder indicates another means among those deemed suitable under the provisions above. In any case, the response to the information requested may be provided through certified mail with an acknowledgement of receipt or certified fax.

8. The Company's corporate website shall list all valid requests for information, clarifications or questions submitted as well as any answers provided in writing by the directors, in accordance with applicable regulations."

9.4 Amendments regarding the right to attend and to proxy vote and the constitution of the General Shareholders Meeting

"Article 11.- Right to attend

1. Shareholders have a right to attend the General Shareholders' Meeting regardless of the number of shares they may hold, provided always that such shares are duly registered in their name with the relevant book-entry registry at least five days before the date scheduled for the meeting.

2. Additionally, shareholders attending physically on the date scheduled for the General Shareholders' Meeting shall exhibit their attendance, proxy and remote voting card under these Rules, the certificate issued by the entity in charge of the book-entry registry or other documentary proof evidencing his status as a shareholder.

Attendance, proxy and remote voting cards shall be registered and issued, upon a request by the Company, either directly by the Company or through any entities in charge of the book-entry records, and may be used by shareholders to authorise a proxy to act on their behalf at the relevant General Shareholders' Meeting.

To that effect, the Company may propose to such entities the specifications of the attendance, proxy and remote voting card to be issued to shareholders -thereby ensuring that all cards issued by such entities are similar and include a barcode or other machine-readable system to facilitate computerised tallying of attendants- as well as the wording of such document to be used as a proxy.



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Shareholders attending the General Shareholders' Meeting telematically must prove their identity and status as shareholders in the manner determined by the Board of Directors in the notice of meeting.

3. Additionally, any shareholder willing to submit his vote remotely shall be required to establish his identity and status as a shareholder in accordance with any procedure specified by the Board of Directors in the notice of call."

"Article 12.- Attendance by third parties to the General Shareholders' Meeting

1. The members of the Board of Directors of the Company must attend all General Shareholders' Meetings, but a failure by any such member to attend shall not invalidate the meeting.

2. The Chairperson of the Audit and Control Committee shall report at the ordinary General Shareholders' Meeting about the main actions carried out by such committee.

3. The Chairperson of the General Shareholders' Meeting may authorise any officers, managers and technical staff of the Company to attend such meeting, as well as any other individuals which, in his opinion, may be interested in the sound running of the corporate affairs.

4. To ensure widespread knowledge of the proceedings and the resolutions passed by the General Shareholders' Meeting, the Chairperson may grant access to the meeting to any media and financial analysts.

5. Any individual invited by the Chairperson of the General Shareholders' Meeting may also attend the meeting.

6. Notwithstanding the provisions of section 4 and 5, the General Shareholders' Meeting may cancel any such invitations to third parties issued by the Chairperson of the meeting."

"Article 13.- Attendance by proxy

1. Without prejudice to the attendance of corporate shareholders through their representatives, each shareholder entitled to attend may be represented at the General Shareholders' Meeting by a proxy, whether or not the proxy is a shareholder of the Company.

2. Proxy appointments may always be revoked. Physical attendance of the shareholder to the General Shareholders' Meeting, either physically or telematically, shall be considered as a revocation of the proxy. As a general rule, the latest action carried out by the shareholder before the General Shareholders' Meeting is held shall be valid, in the sense that the latest delegation revokes all previous one. Also the vote by such shareholder broadcast by remote means shall prevail over the proxy, regardless of the date of this.

3. A proxy must be granted specifically for each General Shareholders' Meeting, either in writing or by any of the following remote means of communication:

a. By postal correspondence, sending to the Company the attendance, proxy and distance voting card issued, where appropriate, by the Company or issued by the entity or entities responsible for keeping the book-entry register, duly signed and completed, or other written means which, in the opinion of the Board of Directors in a prior



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resolution adopted for this purpose, duly guarantees the identity of the shareholder delegating his vote and of the proxy he appoints.

b. By electronic correspondence or other means of remote communication that the Board of Directors may determine, as the case may be, on occasion of the call to each General Shareholders' Meeting, provided that they meet the appropriate guarantees of identification of the shareholder delegating his vote and of the proxy he appoints and, as the case may be, the security of the electronic communications.

4. In order to be considered valid, a proxy appointment made by any remote means of communication must be received by the Company at the latest by midnight of the day immediately before the meeting is scheduled to be held on first call. The Board of Directors may resolve on a shorter term for the receipt of proxies granted by means of remote means of communication under the provisions of the Articles of Association of the Company.

5. The documentation including a proxy appointment for the General Shareholders' Meeting must include at least the following information:

a. The date of the General Shareholders' Meeting and the agenda.

b. The identity of the shareholder granting the proxy and of the proxy representative.

c. The number of shares held by the shareholder granting the proxy.

d. Voting instructions, i.e., instructions granted by the shareholder on the direction of the vote to be cast by the proxy representative in respect of each item on the agenda.

6. The provisions of section 3 to 5 shall not apply when the proxy representative is the spouse or an ascendant or descendant of the shareholder granting the proxy documentation or otherwise holds a general power of attorney granted in a notarial instrument conferring on him/her authority to dispose of all of such shareholder's property in Spain.

7. The Chairperson of the General Shareholders' Meeting or the individuals appointed by him/her shall have the authority to decide on the validity of the proxies granted and to assess compliance with the attendance requirements for such meeting.

8. If the proxy is validly granted under applicable rules in force from time to time, including these Rules, but fails to include any voting instructions, or if there are any doubts about the identity of the proxyholder or the scope of his authority, the proxy documentation shall be deemed (i) to have been granted in favour of the Chairperson of the General Shareholders' Meeting, (ii) to refer to all items in the agenda of the relevant meeting, (iii) to authorise the proxy to vote in favour for all proposals submitted by the Board of Directors, and (iv) to cover all items outside the agenda that may be discussed, regarding which the proxy shall vote in the most favourable way to the interest of the appointing shareholder, in the interest of the Company context, the same rule shall apply when the relevant proposal submitted for decision by the General Shareholders' Meeting has not been formulated by the Board of Directors.

9. Unless otherwise expressly noted, including precise instructions by the appointing shareholder to the contrary, if the proxy is involved in any conflict of interest, such shareholder shall be taken to have also appointed, as joint and several proxies, the Chairperson of the General Shareholders' Meeting and, if conflicted, the



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Secretary to the General Shareholders' Meeting and, if conflicted, the Deputy Secretary (if any) to the Board of Directors."

"Article 14.- Public call for proxy representation

1. *Whenever the directors of the Company, or another person on behalf of in the interest of any of them, any depositary holding the relevant shares or any entity in charge of keeping such shares registered in book-entry form request to be named as proxies (or request that a third party be named as a proxy) for such shares and, generally, whenever such a request is publicly made, any relevant provisions in the Law. Specifically, the proxy documentation shall include, in addition to the particulars referred to in Article 13 above, default instructions on how the proxy shall vote the relevant shares if no specific instructions were given, subject to the provisions in applicable regulations.*

2. *A public call for proxy representation shall be deemed to have been made whenever the same person represents more than three shareholders."*

"Article 16.- Organisation, technical resources and venue of the General Shareholders' Meeting

1. *The Board of Directors may decide, in view of the circumstances, to use any technical systems or resources to improve the structure and proceedings of the General Shareholders' Meeting or promote widespread dissemination of such proceedings, providing, in particular, for live webcasting of the General Meeting on its website.*

2. *Specifically, the Board of Directors may:*

a. *arrange for simultaneous interpretation services;*

b. *set up any appropriate access control, surveillance, protection and security measures; and*

c. *take any measures to facilitate the access by disabled shareholders to the facilities where the General Shareholders' Meeting is to be held.*

3. *Attendees may not use any photography, video or recording devices, including mobile phones or similar equipment, in any room where the General Shareholders' Meeting is being held, except as otherwise authorised by the Chairperson of the meeting. Control mechanisms may be set up at the entrance to the relevant facilities to enforce compliance with this rule.*

4. *As directed by the Articles of Association of the Company, the General Shareholders' Meeting shall be held in the place specified in the notice of call within the municipality where the Company's registered address is located. Failing such specification in the notice of call, the General Shareholders' Meeting shall be deemed to have been convened to be held at the Company's registered address."*

"Article 17.- Formation of the General Shareholders' Meeting. Special cases

1. *The General Shareholders' Meeting shall be validly in session, on first call, whenever shareholders attending or represented thereat hold at least 25% of the subscribed capital with voting rights. On second call, the meeting shall be validly in session whatever the subscribed capital present or represented thereat.*

2. *Shareholders holding at least 50% of the subscribed capital with voting rights must be present or represented on first call for the General Shareholders' Meeting to validly adopt decisions regarding: the issue of bonds or debentures; the cancellation or*



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restriction of any pre-emptive rights to subscribe for new shares; the conversion, merger, spin-off or global assignment of assets and liabilities; the transfer of the registered seat abroad, the increase or reduction of the share capital and generally any amendment to the Articles of Association. On second call, 25% of the share capital present or represented shall be a quorum.

3. Absences occurring once the General Shareholders' Meeting has been validly formed shall not render the meeting invalid.

4. If to validly adopt a resolution regarding one or more of the items on the agenda, under any applicable regulations or the Articles of Association of the Company, the attendance of shareholders holding a specific percentage of the share capital is required and no such percentage is reached on first call, the General Shareholders' Meeting shall be held on second call. If the relevant quorum to pass such resolution is not reached on second call, the General Shareholders' Meeting held on second call shall only be allowed to proceed on those items on the agenda which do not require the attendance of shareholders holding such a percentage to validly adopt resolutions.

5. The above provisions shall be without prejudice to any reinforced quorum requirements majorities prescribed by applicable laws or the Articles of Association from time to time."

"Article 18.- Officers of the General Shareholders' Meeting

1. The Officers of the General Shareholders' Meeting are the Chairperson and the Secretary to the meeting, as well as the members of the Board of Directors of the Company.

2. The General Shareholders' Meeting shall be chaired by the Chairperson of the Board of Directors or, in the event of vacancy, absence or illness, by the Deputy Chairperson; if there are several Deputy Chairpersons of the Board, the meeting shall be chaired by the relevant Deputy Chairperson according to the order established by the Board of Directors at the time he/she was appointed as Deputy Chairperson. Failing the Chairperson and all Deputy Chairpersons of the Board of Directors, the General Shareholders' Meeting shall be chaired by that member of the Board of Directors appointed by the General Shareholders' Meeting.

3. The Chairperson shall be assisted by a Secretary. The Secretary to the General Shareholders' Meeting shall be the Secretary to the Board of Directors or (in the event of vacancy, absence or illness) the Deputy Secretary. Otherwise, the Secretary to the General Shareholders' Meeting shall be appointed by the Officers of the General Shareholder's Meeting.

4. The Chairperson, even when present at the meeting, may appoint the Secretary or any member of the Board of Directors, as the Chairperson may see fit, to order and conduct the discussions at the meeting. The Chairperson may also enlist the assistance of any expert as the Chairperson may see fit."

"Article 20.- Registration of shareholders

1. In the place and on the date scheduled for the General Shareholders' Meeting on first or second call, and starting one hour before the time scheduled for the commencement of the meeting (unless otherwise specified in the notice of call), shareholders or their proxies may file their attendance, proxy and remote voting cards as well as, where appropriate, any proxy documentation with any staff in charge of



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registering shareholders. No attendance, proxy and remote voting cards and proxy documentation filed after the time scheduled for the commencement of the General Shareholders' Meeting shall be accepted.

2. Shareholders (attending in person or by proxy) shall be registered by any officers appointed by the Secretary to the General Shareholders' Meeting, using where appropriate any technical resources deemed convenient."

"Article 21.- Attendance list

1. If upon completion of the registration process for attendance, proxy and remote voting cards, the meeting is found to be validly quorate, an attendance list shall be prepared.

2. Shareholders or their proxies, as appropriate, arriving late at the place where the General Shareholders' Meeting is being held, once registration of attendance, proxy and remote voting cards has closed, shall be issued with an invitation card so that they may, if they so wish, follow the meeting (either in the same room where such meeting is being held or, if deemed appropriate by the Company to avoid any disruption during the meeting, in an adjoining room), but neither such shareholders nor such proxyholders shall be included on the attendance list.

3. The General Shareholders' Meeting shall commence at the scheduled place, date and time, on first or second call once the Board of the meeting has been formed and the attendance list has been prepared.

4. First, the Secretary shall relate to essential data of the call and may read out the notice of convocation if deemed appropriate by the President. Then the Secretary will publicly read the total figures resulting from the attendance list, stating the number of shareholders with a right to vote present (including those who, where appropriate, have cast their vote by remote means of communication) and represented at the meeting; the number of shares held by each of these groups; and the percentage of the share capital that they represent, specifying, where appropriate, the percentage held by shareholders entitled to vote. The Chairperson shall then declare the General Shareholders' Meeting validly in session, on first or second call, as appropriate.

5. At the start of the General Shareholders' Meeting, the Secretary's statement on the list of attendees may be made provisionally for the purpose of accrediting the sufficiency of the quorum for the valid constitution of the Meeting (for these purposes, the process of registering attendees may be closed minutes before the time established for the start of the General Shareholders' Meeting). In any event, the definitive closure of the list (for which purpose the registration of attendees will be accepted up to the time established for the start of the General Meeting) and the consequent determination of the definitive quorum must be made before putting the proposed resolutions corresponding to the different items on the agenda of the General Meeting to the vote.

6. Thereafter, and without prejudice to their right to make any statements they consider appropriate when offered the floor, shareholders may call on the notary public who was asked to attend or otherwise on the Secretary to record in the minutes of the meeting their reservations or objections regarding the formation of the meeting or the figures in the attendance list that were previously read out. No such request shall unduly delay, disrupt or postpone the ordinary course of the meeting.

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7. *If the attendance list is included at the beginning of the minutes of the General Shareholders' Meeting, it shall be attached as a schedule to such minutes signed by the Secretary and the Chairperson of the meeting. The attendance list may also be prepared as an electronic file or saved into any computer media. In these cases, the type of media used shall be recorded in the minutes and the sealed cover of such file or media shall include a statement signed by the Secretary and the Chairperson of the General Shareholders' Meeting for identification."*

9.5 Amendments regarding interventions and resolutions' approvals in the General Shareholders Meeting

"Article 22.- Requests to address the meeting

1. *Once the General Shareholders' Meeting has been duly formed and to allocate speaking times, the Chairperson shall request that shareholders who wish to exercise their right to address the meeting or, where appropriate, request information or clarifications concerning items on the agenda, of the information accessible to the public that the Company has provided to the Comisión Nacional del Mercado de Valores since the last General Meeting and of the auditor's report or make any proposals, in legally permitted cases, to identify themselves to the notary public or otherwise to the Secretary or to their nominees, stating their full name and the number of shares they hold or represent.*

2. *If the shareholder or his proxy wishes his statement or proposal to be recorded verbatim in the minutes of the meeting, he must submit such statement or proposal in writing at that time to the notary public or otherwise to the Secretary, so that the notary public or the Secretary may collate such written statement or proposal with the address delivered by the shareholder or his proxy.*

3. *The floor shall be opened for shareholders once the Officers of the meeting have compiled the list of shareholders who wish to address the meeting, following any introductory speech by or submission of any reports that, where appropriate, the Chairperson, the Managing Director (if any), the Chairpersons of the different Committees of the Board of Directors, other members of the Board of Directors or any other individual appointed by the Chairperson may have prepared and, in any event, before any vote on the items of the agenda."*

"Article 24.- Right to receive information during the General Shareholders' Meeting

1. *During the period allotted to shareholders to address the meeting, shareholders may verbally request any information or clarification that they deem necessary regarding matters included on the agenda, any public information provided by the Company to the CNMV since the last General Shareholders' Meeting was held, or information regarding the report prepared by the statutory auditor. To do so, requesting shareholders must have previously identified themselves under Article 22 above.*

2. *Directors must provide such information in accordance with the preceding section, except in the circumstances of Article 9.4 of these Regulations.*

Likewise, when, prior to the formulation of a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's corporate website in the "Q&A" format, the directors may limit their reply to refer to the information provided in that format.

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3. *The requested information or clarification shall be provided by the Chairperson or, where appropriate and if so directed by the Chairperson, by the Managing Director (if any), the Chairpersons of the Committees of the Board of Directors, the Secretary or Deputy Secretary, a director or, if appropriate, by any employee or expert in the field. The Chairperson shall determine in each case, and depending on the information or clarification requested, if the best course of action for the smooth operation of the General Shareholders' Meeting is to provide each answer individually or grouped by subject matter.*

4. *If directors are unable to provide a full answer to the relevant shareholder at the General Shareholders' Meeting, the directors shall provide the requested information in writing to such shareholder within seven days after the General Shareholders' Meeting."*

"Article 26.- Casting of votes by remote means of communication prior to the General Shareholders' Meeting

1. *Shareholders entitled to attend the meeting may vote prior to the General Meeting on proposals relating to items on the agenda of any General Shareholders' Meeting by remote communication means, meaning:*

a. *By mail, thereby submitting a duly signed and completed attendance proxy and remote voting cards issued by the Company, if any, or by the entity or entities in charge of keeping the registry of book entries, or other written instrument which, as resolved by the Board of Directors in a prior resolution adopted for such purposes, allows the identity of the shareholder exercising his voting rights to be duly guaranteed; or*

b. *Through electronic correspondence or any other remote means of communication that the Board of Directors may have specified, where appropriate, on the notice of call for each General Shareholders' Meeting, provided that they meet the appropriate guarantees to verify the identity of the voting shareholder and, where appropriate, the security of electronic communications.*

2. *Votes that are cast remotely as described above shall only be valid if received by the Company by midnight on the day immediately preceding the date scheduled for holding the General Shareholders' Meeting. The Board of Directors may set a shorter period for receiving votes by remote means of communication.*

3. *If no express instructions are included in the remote voting, or if they are only included in respect of some of the items on the agenda of the call to meeting, it shall be understood that the remote vote refers to all the items included in the agenda of the call to the General Shareholders' Meeting and that it is in favour of the proposals made by the Board of Directors.*

The means by which the shareholder may cast his vote by remote means may provide, in relation to proposed resolutions concerning items not included in the agenda of the call to meeting, for the granting of his proxy, in which case the rules established for this purpose in these Regulations shall apply to the proxy.

4. *Shareholders voting by remote means under the above provisions shall be deemed present for the purposes of the formation of the relevant General Shareholders' Meeting. Consequently, any proxies granted before such vote shall be deemed cancelled, and any proxies granted after such vote shall be ignored.*

5. *Votes cast by means of remote communication under the provisions herein shall be rendered null and void only:*



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- a. *If they are thereafter expressly revoked by the same means used to cast such votes, always within the initial period allowed to cast the vote.*
 - b. *If the voting shareholder or his proxy attends the meeting in person, either physically or telematically.*
 - c. *Upon a sale of the relevant shares, of which the Company becomes aware, at least five days before the date scheduled for the General Shareholders' Meeting.*
6. *The Board of Directors may implement the above provisions establishing the rules, means and procedures appropriate to the state of the art to facilitate the casting of remote votes and the granting of proxies by electronic means, where appropriate under any statutory provisions governing such system and the provisions in the Articles of Association and these Rules. In particular, the Board of Directors shall adopt any necessary measures to ensure that the shareholder casting the vote or appointing a proxy by post or electronic communication is duly authorised to do so under the Company's Articles of Association and these Rules. Such means and procedures shall be published on the website of the Company.*
7. *The addition of remote shareholders who have cast their vote prior to the General Meeting by remote means of communication to the attendance list shall proceed by combining the computer media where they are registered with any storage media containing the rest of such list. If the list is prepared under the form of a file listing all attendance, proxy and remote voting cards, such addition shall proceed by producing a hard copy including the same information as the information on the card for each shareholder who voted through electronic means, without prejudice to the preservation in any durable electronic medium of evidence of the vote received."*

"Article 26 bis.- Attendance at the General Meeting by telematic means

The Company may enable attendance at the General Meeting by telematic and simultaneous means that duly guarantee the identity of the shareholders and their proxies and the casting of votes during the holding of the Meeting, provided that the Board of Directors so resolves. In this case, the notice of call shall establish the deadlines, forms and methods of exercising shareholders' rights, in accordance with the provisions of the Articles of Association and these Regulations. In particular, the Board of Directors may determine that the interventions and proposed resolutions which, in accordance with the Law and these Regulations, those who intend to attend by telematic means, shall be sent to the Company prior to the constitution of the General Meeting. All such information shall also be posted on the Company's website."

"Article 27.- Voting on proposed resolutions

1. *Once the period for shareholders to address the meeting has ended and any information or clarifications have, where appropriate, been provided under these Rules, the proposed resolutions on the items included in the agenda -or other proposals (if any) regarding any other matters which, by law, need not be included in the agenda- shall be put to a vote. In the case of those proposals which need not be so included in the agenda.*
2. *There shall be no requirement for the Secretary to read out proposed resolutions in advance if the texts have been at the disposal of shareholders prior to the General Meeting unless otherwise requested (in respect of all or any proposal) deemed appropriate by the Chairperson. In any event, attendees shall be informed of*



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the item on the agenda to which the proposed resolution that is being put to a vote refers.

3. Significantly independent matters shall be voted on separately, even if they are listed under or relate to the same item in the agenda, so that shareholders may exercise their voting preferences separately. This rule shall apply, in particular: (i) to the appointment, confirmation, re-election or removal of each director, which should be voted on separately; (ii) to an advisory vote on the annual report on the remuneration of directors; and (iii) in the event of any amendments of the Articles of Association of the Company, in respect of each article or group of articles that is essentially independent.

Without prejudice to the above, if circumstances so advise, the Chairperson may decide that the proposals corresponding to various items on the agenda be submitted to a single vote, and the resulting vote shall be deemed to apply to each proposal if none of the attendees expressed their intention to change the direction of their vote regarding any specific item. Otherwise, any such changes expressed by each attendee and the outcome of the vote in respect of each proposal arising as a result of such changes shall be noted in the minutes.

4. The procedure to adopt resolutions shall follow the order of the agenda included in the notice of call. First, any resolutions proposed by the Board of Directors shall be put to a vote, followed by any resolutions proposed, where appropriate, by other proponents and any proposals related to matters on which the General Shareholders' Meeting is authorised to resolve even though such matters were not on the agenda. The Chairperson shall decide the order in which such matters shall be put to a vote. In any event, once a proposal has been adopted as a resolution, all other proposals relating to the same matter that are incompatible with it shall be automatically withdrawn and shall not, therefore, be submitted to a vote.

5. As a general rule and without prejudice to the authority of the Chairperson to use alternative voting procedures and systems, for the purposes of voting on proposed resolutions, the direction of the shareholders' votes shall be determined as follows:

a. In the case of proposed resolutions related to items included in the agenda of the call carried out or taken over by the Board, the votes corresponding to all shareholders attending in person or by proxy shall be considered as votes for such resolution, after deducting any votes corresponding to: those shares whose holders or proxies stated that they vote against, in blank or abstain by notice to the notary public (or otherwise to the Secretary to the General Shareholders' Meeting) or his assistants, to be recorded in the minutes; those shares whose holders voted against or in blank or expressly stated their abstention by remote communication means under these Rules; those shares whose holders or proxies left the meeting before the vote on the relevant proposal, provided that their departure from the meeting was recorded by the notary public or his assistants or otherwise by the Secretary to the General Shareholders' Meeting.

b. In the case of proposed resolutions related to items not included in the agenda of the call or proposals not taken up by the Board, the votes corresponding to all shareholders attending in person or by proxy shall be considered as votes against such resolution, after deducting any votes corresponding to: those shares whose holders or proxies state that they vote for, in blank or abstain by notice to the notary public or otherwise to the Secretary to the General Shareholders' Meeting or his assistants, to be recorded in the minutes; those shares whose holders or proxies left the meeting before



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the vote on the relevant proposal, provided that their departure from the meeting was recorded by the notary public or his assistants (or otherwise by the Secretary to the General Shareholders' Meeting).

c. Any statements or notices to the notary public (or, failing that, to the Secretary or any assistants) referred to in paragraph a) above regarding the direction of the vote or any abstention may be made individually with respect to each of the proposed resolutions or in aggregate in respect of several or all resolutions, by confirming to the notary public or otherwise to the Secretary or their assistants the identity and status (i.e., as a shareholder or proxy) of the voter, the number of shares being voted and the direction of such vote or, if appropriate, any abstention."

"Article 28.- Conflict of interests

1. Shareholders may not exercise any voting rights attached to their shares whenever the proposed resolution is intended to:

a. Release the shareholder from any obligation, or grant any right to such shareholder;

b. Provide such shareholder with any financial assistance, including any guarantee; or

c. Release such shareholder from any obligations derived from any duty of loyalty under applicable regulations.

2. In cases of conflict of interest of shareholders other than those provided for in section 1 above, the shareholders affected shall not be deprived of their voting rights, without prejudice to the provisions of law in this respect."

"Article 30.- Minutes of the General Shareholders' Meeting

1. All decisions of the General Shareholders' Meeting shall be recorded directly on the minutes book or otherwise copied onto such book. The minutes must be approved by the General Shareholders' Meeting upon closing of the meeting or, failing this and within any term provided for in the relevant regulations applicable to the Company, by the Chairperson and two scrutineers (one of them acting on behalf of the majority, and the other acting on behalf of the minority).

2. Corporate decisions recorded in minutes approved as described above may be implemented from the date of such approval.

3. The Board of Directors may ask a notary public to attend the General Shareholders' Meeting and take the minutes and shall do so following a request to such effect -filed five days before the date scheduled for the meeting- by shareholders representing at least one per cent of the share capital.

4. The minutes taken by a notary public shall constitute the minutes of the meeting, and shall not be subject to the approval of the meeting."

"Article 31.- Publicity of resolutions

Without prejudice to the registration with the Spanish Commercial Registry of any resolutions subject to compulsory registration, and notwithstanding any applicable statutory provisions regarding the publication of company resolutions, the Company shall notify the approved resolutions to the CNMV as a regulatory disclosure (otra información relevante), either verbatim or by providing an extract thereof. The text of all resolutions passed and the result of the votes corresponding to all General



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Shareholders' Meetings held during the current and the previous year shall be published in full on the website of the Company within five days after the end of the relevant meeting. Upon a request by any shareholder or his proxy-holder at the relevant General Shareholders' Meeting, the Secretary shall issue a certificate of the resolutions or the notarial minutes, if applicable."

9.6 Approval, as a result of the previous amendments, of a consolidated text of the General Shareholders Meeting Regulations

As a consequence of the amendments that have been approved under the previous resolutions, it is hereby resolved to approve a consolidated text of the General Shareholders Meeting Regulations.

ANNEX

Compare between the proposed and the current text of the Rules of the General Shareholders' Meeting

RULES OF THE GENERAL SHAREHOLDERS' MEETING OF LAR ESPAÑA REAL ESTATE SOCIMI, SOCIEDAD ANÓNIMA

TITLE I.- INTRODUCTION

Article 1.- Purpose

The purpose of these Rules is to regulate the calling, preparation and proceedings of the General Shareholders' Meeting, the information related to it and the attendance thereat, as well as the exercise by shareholders of their voting rights, all under the provisions of applicable laws and the Company's Articles of Association.

Article 2.- Interpretation, modification and disclosure

1. These Rules supplement the statutory and regulatory regimes applicable to the General Shareholders' Meeting under current regulations and the Company's Articles of Association. The Rules shall be construed in accordance with the applicable statutory and bylaw provisions and the principles and recommendations on the corporate governance of listed companies ~~approved or issued by the Spanish authorities and neighbouring countries in force from time to time, or by any special committees or working groups established by such authorities~~established by supervisory bodies or other bodies of recognised prestige assumed by the Company.
2. Any doubts that may arise in relation to its interpretation and application shall be resolved by the Board of Directors, and any doubts that may arise during the General Shareholders' Meeting shall be resolved by its Chairman.
3. The Board of Directors may submit any proposal to amend these Rules to the General Shareholders' Meeting whenever deemed necessary or convenient. The directors shall include with the proposal a report explaining such amendment(s).
4. 2-The Board of Directors of the Company shall approve appropriate measures so that these Rules become widely available to shareholders and investors generally. Specifically, a copy of the current version of these Rules shall be provided to the Spanish Securities and Exchange Commission (CNMV), accompanied by a copy of the document in which it is recorded and the text of these Rules shall be registered with the Spanish Commercial Register and posted on the Company's corporate website at www.larespana.com as well as on the website of the CNMV as directed by current regulations and these Rules.

TITLE II.- THE GENERAL SHAREHOLDERS' MEETING: CLASSES OF MEETINGS; POWERS OF THE MEETING

Article 3.- The General Shareholders' Meeting

1. The General Shareholders' Meeting is the highest decision-making and supervisory body of the Company regarding any matters reserved to it and serves as a vehicle to

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channel the right of shareholders to participate in the decision-making process regarding fundamental decisions of the Company.

2. The General Shareholders' Meeting, duly called and formed, represents all shareholders in the Company. All shareholders -including non-attending and dissenting shareholders- are subject to and bound by the resolutions passed by the General Shareholders' Meeting regarding any matters reserved to it, without prejudice to their rights to challenge any such resolutions under applicable laws.
3. The Company shall ensure, at all times, equal treatment for all shareholders who are in identical condition with regard to information, participation and exercise of the right to vote at the General Shareholders' Meeting.

[In particular, it should cover accessibility requirements for persons with disabilities and older persons to ensure their right to prior information and the necessary support to exercise their vote.](#)

Article 4.- Types of General Shareholders' Meetings

1. General shareholders' meetings may be held as ordinary or extraordinary meetings.
2. An ordinary General Shareholders' Meeting shall necessarily be held within the first six months of each year to, where appropriate, approve the management of the company, ~~where appropriate~~, approve the financial statements for the preceding financial year and resolve on the distribution of earnings, without prejudice to all other legally enforceable matters and to its authority to deliberate and decide on any other matter listed in the agenda. The General Shareholder's Meeting shall be valid even if it is called or held after such deadline.
3. Any General Shareholders' Meeting other than the above meeting shall be an extraordinary General Shareholders' Meeting ~~and shall be held whenever called by the Company's Board of Directors either on its initiative or upon a request of shareholders holding at least 3% of the share capital. Such shareholders shall be required to state in their request the issues to be discussed at such meeting.~~
4. ~~Provided that all the shareholders of the Company are in attendance, they may on a unanimous vote decide to hold a meeting without notice to discuss and pass resolutions on any matter.~~

Article 5.- Authority of the General Shareholders' Meeting

The General Shareholders' Meeting may decide on all matters reserved to it by statute or Law, the Articles of Association. ~~Additionally, any proposal whatsoever involving a fundamental amendment of the actual activities of the Company shall be submitted for approval or ratification of the General Shareholders' Meeting or these Regulations.~~ Specifically ~~and by way of example only~~, the General Shareholders' Meeting may:

- a. ~~Discharge the directors from liability in respect of their management of the Company.~~

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- a. ~~b.~~ Approve, ~~where appropriate,~~ the individual and consolidated financial statements and decide on the allocation of the result and approve the social management.
- b. Approve, where appropriate, the non-financial information statement.
- c. Appoint and remove the ~~members of the management body, and confirm or revoke the appointment of any co-opted director~~ directors, liquidators and auditors, as well as bring corporate action for liability against any of them, and ratify directors appointed by co-option.
- ~~d. Appoint, where appropriate, the liquidators of the Company.~~
- ~~e. Appoint and remove the statutory auditors of the Company.~~
- d. ~~f. Resolve on~~ Approve any increase or reduction of the share capital, as well as the delegation to the Board of Directors of the authority to increase the share capital and lay down its terms and conditions in all matters not provided by the General Shareholders' Meeting.
- e. Approve the suppression or limitation of pre-emptive subscription rights, without prejudice to the possible delegation to the Board of Directors under the terms provided by law.
- f. ~~g.~~ Resolve on the issuance of debt instruments and other negotiable securities, as well as the delegation to the Board of Directors of the authority to issue such instruments and to remove or otherwise restrict any preferential subscription rights otherwise held by shareholders upon such issues.
- g. ~~h. Resolve on~~ Approve any conversion, merger, spin-off ~~or,~~ global assignment of the assets and liabilities of the Company; and the change of the registered address to a foreign ~~location and generally on~~ location.
- h. Approve any amendment to the Articles of Association of the Company, under regulations applicable from time to time.
- i. ~~Decide on~~ Approve the dissolution and liquidation of the Company, the final liquidation balance sheet and approve any other operations whose effect may be equivalent to a liquidation of the Company.
- j. Approve ~~any operations that involve a structural change of the Company and, in particular, the reorganization of listed companies as holding companies, through the "affiliation" or~~ the transfer to dependent entities of essential functions so far carried out by the Company itself, even in circumstances where the Company retains full ownership thereof.
- k. ~~Resolve on~~ Approve the acquisition, disposal or contribution of core assets to other company.

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- l. Approve the remuneration policy for directors under applicable laws.
- m. Approve the establishment of remuneration systems for the Company's Directors consisting of the delivery of shares rights over them or which are indexed to the value of the shares.
- n. Approve related-party transactions whose approval corresponds to the General Shareholders' Meeting under the terms provided by Law and the Company's corporate governance rules.
- o. ~~m.~~ Exempt any directors from ~~their duty to avoid any~~ the prohibitions on conflict of interest, ~~in accordance with applicable regulations~~ when the Law necessarily attributes this power to the General Shareholders' Meeting.
- p. ~~n. Authorize~~ Authorize the acquisition of the Company's own shares from other shareholders.
- q. ~~o.~~ Approve these Rules and any amendments thereof.
- r. ~~p.~~ Decide on any matters submitted to it for deliberation and approval by the Company's ~~management body~~ Board of Directors.

TITLE III.- CALL AND PREPARATION OF THE GENERAL MEETING

Article 6.- Call for the General Shareholders' Meeting

1. Without prejudice to the regulations governing ~~public limited companies regarding meetings without notice (juntas universales) and~~ the power of courts to call the General Meeting, General Shareholders' Meetings shall be called by the ~~management body~~ Board of Directors of the Company.
2. The ~~management body~~ Board of Directors shall call the ordinary General Shareholders' Meeting ~~to be held necessarily within the first six months of each fiscal year, but such meeting shall be valid even if it is called or held after such deadline. Additionally, the management body~~ within the legally term established, and may call an extraordinary General Shareholders' Meeting whenever it deems it convenient for the interest of the Company.
3. The ~~management body~~ Board of Directors must also call the General Shareholders' Meeting when requested by shareholders holding at least 3% of the share capital. The request shall include a list of the issues to be discussed at the General Shareholders' Meeting. In this case, the General Shareholders' Meeting shall be called to be held within ~~the relevant term provided by applicable regulations. The management body~~ two months of the date on which the Board was notarially requested to convene it. The Board of Directors must include in the agenda the issue or issues listed by the requesting shareholders.

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4. If the ordinary General Meeting is not called within the statutory period set out in this article, the Meeting may be called, upon a request of ~~the shareholders and any shareholder~~, after a hearing the members of the ~~management body~~ Board of Directors, by the Registrar of the Court or the Commercial Court Registry of the registered address of the Company. ~~The Court, who~~ shall also designate the ~~chairperson~~ Chairman and Secretary of such General Meeting. The same rule shall apply for an extraordinary General Meeting, following a request by the number of shareholders referred to in the previous ~~paragraph~~ section.

Article 7.- Notice of call

1. Ordinary and extraordinary general meetings shall be called by notice published in the Official Gazette of the Spanish Commercial Registry or one of the most widely distributed newspapers in Spain, on the Company's website, www.larespana.com and on the website of the Spanish Securities Market Commission (CNMV) at least one month before the date of the meeting (without prejudice to the provisions in paragraph 2 below and those meetings for which a longer period of notice is required by Law).
2. If the Company offers shareholders the possibility to vote by electronic means available to all shareholders, then extraordinary meetings may be called at least fifteen days in advance.

Any reduction of the notice period shall require a specific resolution passed at the ordinary General Meeting by shareholders holding at least two-thirds of the subscribed capital with voting rights. A decision to reduce the notice period shall only be valid until the date of the next meeting.

3. The notice shall disclose: ~~whether the meeting is being called as an ordinary or extraordinary meeting, and shall include the~~
 - a. The name of the Company; the date, place and time of the meeting; the agenda including all items to be discussed; the date when, where appropriate, the General Shareholders' Meeting shall be held on second call, at least twenty-four hours must elapse between one and the other, and any other information required by applicable regulations from time to time ~~and, specifically, the information referred to in section 517 of the consolidated text of the Spanish Companies Act~~. As far as possible, shareholders shall be advised that the meeting is expected to be held on first or second call.
 - b. ~~4. The notice shall also refer to the right of shareholders to be represented in the meeting by another person, whether or not a shareholder, and to the requirements and procedures to exercise such right. The notice shall further include a reference to the right to information held by shareholders and the procedure to exercise such right.~~ date on which the shareholder must have the shares registered in his name in order to be able to participate and vote at the General Meeting.

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~~5.—The management body must include in the notice of call a reference to the specific remote communication means that shareholders may use to exercise or delegate their vote, as well as the basic instructions to do so.~~

c. Where and how the full text of the documents and proposed resolutions may be obtained, and the address of the Company's website where the information will be available.

d. A clear and exact description of the procedures and deadlines that shareholders must comply with in order to request the publication of a supplement to the notice of an Ordinary General Shareholders' Meeting, submit reasoned proposals for resolutions, exercise their rights to information and representation, cast their vote and delegate their representation by remote means of communication, in the terms provided by Law and, where appropriate, exercise their right to attend the General Shareholders' Meeting by telematic means.

4. Likewise, the announcement of the call to meeting shall also indicate the right to examine at the registered office and/or to obtain, immediately and free of charge, the documents to be submitted for approval by the shareholders at the General Shareholders' Meeting, in the cases provided by Law.

5. ~~6.~~ Shareholders representing at least 3% of the share capital may request the publication of a supplement to the notice of call of the ordinary General Meeting, including in their request one or more items to be added to the agenda, provided that their request includes a rationale for the new items or, if applicable, a reasoned proposal for a resolution. Shareholders intending to exercise this right must do so by due notice (*notificación fehaciente*) to the Company, and such notice must be received at the registered address within five days after the publication of the notice of call. This supplement to the notice of call shall be published, at least, fifteen days before the date scheduled for the General Shareholders' Meeting.

6. ~~7.~~ Shareholders holding at least 3% of the share capital may also, within the same period set out in the preceding paragraph, submit reasoned proposals for resolutions regarding items already included or that should be included on the agenda for a General Shareholders' Meeting that has already been called. Such proposals substantiated shall be published on the Company's website www.larespana.com, in accordance with any statutory provisions applicable to the Company.

~~8.—The management body may invite a Notary Public to attend the General Shareholders' Meeting and draw up the minutes of the meeting. The management body shall necessarily do so whenever required by applicable regulations.~~

7. ~~9.~~ If a duly called General Shareholders' Meeting is not held on first call, and no date for a second call was stated in the notice, the notice of call for the adjourned meeting -including in such notice the same agenda- must be published, subject to the same publicity requirements as the first notice, within fifteen days after the date of the initial meeting, at least ten days before the date of the adjourned meeting.

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Article 8.- Publication of information after the date of the notice on the website of the Company

1. In addition to any statutory or other requirements imposed by the Company's Articles of Association and these Rules, the Company shall, following the notice of call of the General Shareholders' Meeting, publish uninterruptedly on its website ~~2.-~~ the following information:
 - a. The announcement of the call.
 - b. The total number of shares and voting right at the date of the call.
 - c. The documents to be submitted to the General Meeting, in particular, the reports of directors, auditors and independent experts.
 - d. The full text of the proposed resolutions as-drafted by the ~~management body~~ Board of Directors regarding ~~the items~~ each and every item on the agenda, as well as any mandatory reports or other reports commissioned by the ~~management body and~~ or, for items of a purely informative nature, a report from the competent bodies commenting on each of these items. As they are received, any proposed resolutions based on matters listed or to be listed in the agenda of the meeting as submitted by the shareholders under applicable laws~~After~~ laws, will be included as well as the supplement to the notice of call for the General Shareholders' Meeting, if applicable.
 - e. In the case of appointment, ratification or re-election of members of the Board of Directors, the identity, curriculum vitae and category to which each of them belongs, as well as the proposal of the Board of Directors or of the Appointments, Remuneration and Sustainability Committee, as the case may be, and the legally required reports. In the case of a legal person, the information must include that corresponding to the natural person to be appointed for the permanent exercise of the functions inherent to the post.
 - f. The forms to be used for voting by proxy and remote voting, except when they are sent directly by the Company to each shareholder. If they cannot be published on the website for technical reasons, the Company shall indicate on the website how to obtain the forms on paper, which shall be sent to any shareholder requesting them.
2. After the date of the notice of call, the Company shall also publish on the Company's website all information deemed useful or convenient to facilitate the attendance and participation of the shareholders in the General Shareholders' Meeting, including without limitation:
 - a. The procedure, where appropriate, to obtain the relevant attendance, proxy and remote voting card.
 - b. The instructions to exercise or delegate the vote through any remote voting procedures ~~described, where appropriate,~~ that have been provided for in the notice of call.

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- c. Where applicable, the rules for attendance by telematic means.
- d. ~~e.~~ Information on the place where the General Shareholders' Meeting is to be held and instructions on how to get there and access such place.
- e. ~~d.~~ Information, where appropriate, on any systems or procedures intended to facilitate attendance at the General Shareholders' Meeting.
- f. ~~e.~~ Information on the procedure designed to allow shareholders to exercise their right to information.
- g. ~~f.~~ If the General Shareholders' Meeting is to deliberate on the appointment ~~or~~, confirmation or re-election of any directors, ~~and following the publication of the notice of call, the Company shall publish on its website~~ in addition to any other statutory or other information required by the Articles of Association- the following information (duly updated) will be published:
 - i. ~~The~~ Identity and the professional and biographical.
 - ii. Other relevant boards of directors of which such director or directors are a member, whether or not the relevant company is a listed company.
 - iii. Details of the type of director and a reference, in the event of proprietary directors, to the shareholder represented by or otherwise related to such director.
 - iv. Date when the director was first appointed as a director of the Company, and dates of subsequent appointments.
 - v. Shares and share options in the Company held by such director.
- ~~g.~~ ~~The supplement to the notice of call for the General Shareholders' Meeting, if applicable.~~
- g. ~~h.~~ A report of the Audit and Control Committee on the independence of the statutory auditor.
- h. ~~i.~~ Reports on the operation of the Audit and Control and Appointments and Remuneration Committees.
- i. ~~j.~~ A report from the Audit and Control Committee on ~~related-party~~ Related-party ~~transactions.~~
- ~~k.~~ ~~A report on the corporate social responsibility policy.~~

Article 9.- Right to information prior to the holding of the General Shareholders' Meeting

1. From the date of publication of the notice of call for the General Shareholders' Meeting to the fifth day (inclusive) before the date scheduled for such meeting, shareholders may request from the Board of Directors any information or clarifications

they deem appropriate regarding the items on the agenda or ask the relevant questions in writing.

- ~~2.~~ Furthermore, within the same period and in the same manner, shareholders may request in writing any ~~information or~~ clarifications they deem necessary regarding any information accessible to the public that the Company may have provided to the CNMV since the date of the last General Shareholders' Meeting. ~~The Board of Directors must provide any information requested until the day of the General Shareholders' Meeting in writing, and regarding the auditor's report.~~
2. ~~3.~~ Any information may be requested by serving a notice of request at the registered office or by letter to the Company or otherwise through other remote means of communication specified in the relevant notice of call. ~~A request for information shall be admitted as such whenever the document by virtue of which the information is requested incorporates any mechanism which, under a prior, under a~~ resolution duly passed, are considered adopted for this purpose by the Board of Directors ~~to~~ and which incorporates mechanisms that offer adequate guarantees of authenticity and identification of the shareholder exercising his right to information.
3. ~~4.~~ Whatever the means used to submit his request for information, the shareholder shall include in the request his name and surname and detail the number of shares held by it, so that such information may be compared with the list of shareholders and the number of shares reported by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear)* or other entity, for the relevant General Shareholders' Meeting. The shareholder shall have the burden of proof that the request was duly and timely sent to the Company. ~~The Company shall publish on its corporate website the relevant procedure to exercise the right to information, in accordance with applicable laws.~~
- ~~5.~~ ~~All requests for information must be answered once the identity and status of the applicant as a shareholder has been verified before the General Shareholders' Meeting is held.~~
4. ~~6.~~ The directors shall provide any information requested in writing, once the identity and status of the applicant as a shareholder has been verified up to the date of the General Shareholders' Meeting, except if:
- a. the information is not necessary for the protection of the rights of the shareholder, or whenever there are objective reasons to believe that the information is intended for purposes unrelated to the Company or that disclosure thereof shall harm the Company or any related companies;
- Notwithstanding the exceptions of this section, the directors may not refuse to provide the relevant information if the request is submitted by shareholders representing at least 25% of the share capital of the Company.

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- b. the request for information or clarification does not refer to any items of the agenda or any information publicly available and provided by the Company to the CNMV after the date of the last General Shareholders' Meeting; nor to the auditor's report; or
 - ~~e. the request for information or clarification is abusive, i.e., it relates to information that (i) has been or is subject to any sanctioning judicial or administrative proceedings, (ii) is protected as a trade secret, know-how or by any intellectual property rights, (iii) affects the confidentiality of personal data or files, or (iv) whose disclosure is prohibited by any confidentiality undertaking binding on the Company;~~
 - ~~d. the requested information is clearly, expressly and readily available to all shareholders on the Company's corporate website under a "Q&A" format, in which case the directors may answer the request simply by referring to the information available in such format; or~~
 - e. disclosure of the information is prevented under any statutory or regulatory provisions or decisions or for reasons of confidentiality.
5. ~~7. Notwithstanding the above exceptions, the directors may not refuse to provide the relevant information if the request is submitted by shareholders representing at least 25% of the share capital of the Company. When, prior to the formulation of a specific question, the requested information is clearly, expressly and readily available to all shareholders on the Company's corporate website under a "Q&A" format, the directors may answer the request simply by referring to the information available in such format.~~
6. ~~8.~~ The Board of Directors may authorise any director, the Chairpersons of any committees of the Board of Directors or the Company Secretary or Deputy Secretary to answer, in the name and on behalf of the Board, any requests for information submitted by shareholders.
7. ~~9.~~ The response to the information requested shall be provided through the same means used to request it, unless the requesting shareholder indicates another means among those deemed suitable under the provisions above. In any case, ~~directors may provide~~ the response to the information requested may be provided through certified mail with an acknowledgement of receipt or certified fax.
8. ~~10.~~ The Company's corporate website shall list all valid requests for information, clarifications or questions submitted as well as any answers provided in writing by the directors, in accordance with applicable regulations.

Article 10.- Electronic forum of shareholders

1. From the date of the notice of call to the date of the General Shareholders' Meeting, the Company shall open an electronic forum for shareholders on its website (the "Forum"), which shall be available -subject to any relevant checks- to individual

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shareholders and to any group of shareholders that may voluntarily be formed under applicable laws. The Forum shall be designed to facilitate communication between shareholders before the date when each General Shareholders' Meeting is held. Shareholders may publish on this Forum any proposals intended to be submitted as a supplement to the agenda included in the notice of call, as well as any applications to adhere to such proposals, any initiatives to achieve a sufficient percentage to exercise any statutory minority rights and any offers or requests for proxies.

2. The Board of Directors, in accordance with applicable regulations, shall approve the relevant rules of operation of the Forum and establish, among others, any procedure, terms and other conditions regarding access and use by the shareholders of the Company and any group of shareholders that may voluntarily be formed under regulations applicable from time to time.

TITLE IV.- PROCEEDINGS OF THE GENERAL SHAREHOLDERS' MEETING

SECTION I: ATTENDANCE AND REPRESENTATION

Article 11.- Right to attend

1. Shareholders have a right to attend the General Shareholders' Meeting regardless of the number of shares they may hold, provided always that such shares are duly registered in their name with the relevant book-entry registry at least five days before the date scheduled for the meeting. ~~If the shareholder is exercising his right to vote using remote communication means, then this condition shall be required to be met also by reference to the time of such exercise.~~
2. Additionally, ~~a shareholder intending to attend~~ shareholders attending physically on the date scheduled for the General Shareholders' Meeting ~~must obtain the relevant~~ shall exhibit their attendance, proxy and remote voting card, ~~i.e. under these Rules,~~ the certificate issued by the entity in charge of the book-entry registry or other documentary proof evidencing his status as a shareholder.

Attendance, proxy and remote voting cards shall be registered and issued, upon a request by the Company, either directly by the Company or through any entities in charge of the book-entry records, and may be used by shareholders to authorise a proxy to act on their behalf at the relevant General Shareholders' Meeting.

To that effect, the Company may propose to such entities the specifications of the attendance, proxy and remote voting card to be issued to shareholders -thereby ensuring that all cards issued by such entities are similar and include a barcode or other machine-readable system to facilitate computerized tallying of attendants- as well as the wording of such document to be used as a proxy.

~~3. — Shareholders attending in person or by a proxy on the date scheduled for the General Shareholders' Meeting shall exhibit their attendance card under these Rules.~~ Meeting telematically must prove their identity and status as shareholders in the manner determined by the Board of Directors in the notice of meeting.

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3. ~~4.~~ Additionally, any shareholder willing to submit his vote remotely shall be required to establish his identity and status as a shareholder in accordance with any procedure specified by the ~~management body~~ Board of Directors in the notice of call.

Article 12.- Attendance by third parties to the General Shareholders' Meeting

1. The members of the ~~management body~~ Board of Directors of the Company must attend all General Shareholders' Meetings, but a failure by any such member to attend shall not invalidate the meeting.
2. The Chairperson of the Audit and Control Committee shall report at the ordinary General Shareholders' Meeting about the main actions carried out by such committee.
3. The Chairperson of the General Shareholders' Meeting may authorise any officers, managers and technical staff of the Company to attend such meeting, as well as any other individuals which, in his opinion, may be interested in the sound running of the corporate affairs.
4. To ensure widespread knowledge of the proceedings and the resolutions passed by the General Shareholders' Meeting, the Chairperson may grant access to the meeting to any media and financial analysts.
5. Any individual invited by the Chairperson of the General Shareholders' Meeting may also attend the meeting.
6. Notwithstanding the ~~above~~ provisions of section 4 and 5, the General Shareholders' Meeting may cancel any such invitations to third parties issued by the Chairperson of the meeting.

Article 13.- Attendance by proxy

1. Without prejudice to the attendance of corporate shareholders through their representatives, each shareholder entitled to attend may be represented at the General Shareholders' Meeting by a proxy, whether or not the proxy is a shareholder of the Company.
2. Proxy appointments may always be revoked. Physical attendance of the shareholder to the General Shareholders' Meeting, either physically or telematically, shall be considered as a revocation of the proxy. As a general rule, ~~and provided that the relevant date can be duly established~~, the latest action carried out by the shareholder before the General Shareholders' Meeting is held shall be valid. ~~If the date cannot be duly established, then, in the sense that the latest delegation revokes all previous one.~~ Also the vote by such shareholder broadcast by remote means shall prevail over the proxy, regardless of the date of this.
3. A proxy must be granted specifically for each General Shareholders' Meeting, either in writing or by any of the following remote means of communication ~~specified in the relevant notice of call. A proxy appointment so granted shall be admitted as such~~.

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~~whenever the proxy documentation incorporates any mechanism which, under a prior resolution duly passed and published by the Board of Director, allows the Board of Directors to confirm that the appointment is being duly made by a shareholder or shareholders properly identified as such:~~

- ~~a. By postal correspondence, sending to the Company the attendance, proxy and distance voting card issued, where appropriate, by the Company or issued by the entity or entities responsible for keeping the book-entry register, duly signed and completed, or other written means which, in the opinion of the Board of Directors in a prior resolution adopted for this purpose, duly guarantees the identity of the shareholder delegating his vote and of the proxy he appoints.~~
 - ~~b. By electronic correspondence or other means of remote communication that the Board of Directors may determine, as the case may be, on occasion of the call to each General Shareholders' Meeting, provided that they meet the appropriate guarantees of identification of the shareholder delegating his vote and of the proxy he appoints and, as the case may be, the security of the electronic communications.~~
4. In order to be considered valid, a proxy appointment made by any remote means of communication ~~duly authorised, where appropriate, by the management body~~ must be received by the Company at the latest by midnight of the day immediately before the meeting is scheduled to be held on first call. The Board of Directors may resolve on a shorter term for the receipt of proxies granted by means of remote means of communication under the provisions of the Articles of Association of the Company.
5. The documentation including a proxy appointment for the General Shareholders' Meeting must include at least the following information:
- a. The date of the General Shareholders' Meeting and the agenda.
 - b. The identity of the shareholder granting the proxy and of the proxy representative.
 - c. The number of shares held by the shareholder granting the proxy.
 - d. Voting instructions, i.e., instructions granted by the shareholder on the direction of the vote to be cast by the proxy representative in respect of each item on the agenda.
6. ~~The provisions of section 3 to 5 shall not apply when the proxy representative is the spouse or an ascendant or descendant of the shareholder granting the proxy documentation or otherwise holds a general power of attorney granted in a notarial instrument conferring on him/her authority to dispose of all of such shareholder's property in Spain.~~
7. ~~6-~~The Chairperson of the General Shareholders' Meeting or the individuals appointed by him/her shall have the authority to decide on the validity of the proxies granted and to assess compliance with the attendance requirements for such meeting.

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- ~~7. The above provisions shall not apply when the proxy representative is the spouse or an ascendant or descendant of the shareholder granting the proxy documentation or otherwise holds a general power of attorney granted in a notarial instrument conferring on him/her authority to dispose of all of such shareholder's property in Spain.~~
8. If the proxy is validly granted under applicable rules in force from time to time, including these Rules, but fails to include any voting instructions, or if there are any doubts about the identity of the proxyholder or the scope of his authority, the proxy documentation shall be deemed (i) to have been granted in favour of the Chairperson of the ~~Board of Directors~~General Shareholders' Meeting, (ii) to refer to all items in the agenda of the relevant meeting, (iii) to authorise the proxy to vote ~~favorably~~in favour for all proposals submitted by the Board of Directors, and (iv) to cover all items outside the agenda that may be discussed, regarding which the proxy shall ~~refrain from voting unless he/she has sufficient evidence to consider it more~~vote in the most favourable way to the interest of the appointing shareholder ~~to vote for or against such proposals, in the interest of the Company context, the same rule shall apply when the relevant proposal submitted for decision by the General Shareholders' Meeting has not been formulated by the Board of Directors.~~
9. Unless otherwise expressly noted, including precise instructions by the appointing shareholder to the contrary, if the proxy is involved in any conflict of interest, such shareholder shall be taken to have also appointed, as joint and several proxies, the Chairperson of the General Shareholders' Meeting and, if conflicted, the Secretary to the General Shareholders' Meeting and, if conflicted, the Deputy Secretary (if any) to the Board of Directors.

Article 14.- Public call for proxy representation

1. Whenever the directors of the Company, or another person on behalf of in the interest of any of them, any depositary holding the relevant shares or any entity in charge of keeping such shares registered in book-entry form request to be named as proxies (or request that a third party be named as a proxy) for such shares and, generally, whenever such a request is publicly made, any relevant provisions in the ~~regulations governing public limited companies shall apply~~Law. Specifically, the proxy documentation shall include, in addition to the particulars referred to in Article 13 above, default instructions on how the proxy shall vote the relevant shares if no specific instructions were given, subject to the provisions in applicable regulations.
2. A public call for proxy representation shall be deemed to have been made whenever the same person represents more than three shareholders.

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Article 15.- Financial intermediaries as proxies

1. A professional financial intermediary providing financial services may vote the relevant shares in the name and on behalf of its client (either an individual or a legal entity) if named as a proxy by such client.
2. Such financial intermediary must, within seven days before the date scheduled for the General Shareholders' Meeting, provide the Company with a list showing the identity of its client and the number of shares that the intermediary shall be voting as a proxy for such client.
3. The intermediary may receive voting instructions from its clients, and any such instructions shall be disclosed, together with the identity of the relevant client, in the notice served on the Company.
4. In the circumstances referred to in this Article 15, a financial intermediary may, on behalf of its clients, divide their vote and cast it to comply with divergent voting instructions, should it have received those. To do so, the direction in which the vote shall be cast must be disclosed in the aforementioned notice to the Company.
5. The above financial intermediaries may delegate the vote to each of the indirect holders or their nominees by notice to the Company served within seven days before the date scheduled for the General Shareholders' Meeting. There shall be no limit to the number of such delegations.

Article 16.- Organization, technical resources and venue of the General Shareholders' Meeting

1. The ~~management body~~Board of Directors may decide, in view of the circumstances, to use any technical systems or resources to improve the structure and proceedings of the General Shareholders' Meeting or promote widespread dissemination of such proceedings, providing, in particular, for live webcasting of the General Meeting on its website.
2. Specifically, the ~~management body~~Board of Directors may:
 - a. arrange for simultaneous interpretation services;
 - b. set up any appropriate access control, surveillance, protection and security measures; and
 - c. take any measures to facilitate the access by disabled shareholders to the facilities where the General Shareholders' Meeting is to be held.
3. Attendees may not use any photography, video or recording devices, including mobile phones or similar equipment, in any room where the General Shareholders' Meeting is being held, except as otherwise authorised by the Chairperson of the meeting. Control mechanisms may be set up at the entrance to the relevant facilities to enforce compliance with this rule.

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4. As directed by the Articles of Association of the Company, the General Shareholders' Meeting shall be held in the place specified in the notice of call within the municipality where the Company's registered address is located. Failing such specification in the notice of call, the General Shareholders' Meeting shall be deemed to have been convened to be held at the Company's registered address.

SECTION II: FORMATION OF THE GENERAL SHAREHOLDERS' MEETING

Article 17.- Formation of the General Shareholders' Meeting. Special cases

1. The General Shareholders' Meeting shall be validly in session, on first call, whenever shareholders attending or represented thereat hold at least 25% of the subscribed capital with voting rights. On second call, the meeting shall be validly in session whatever the subscribed capital present or represented thereat.
2. Shareholders holding at least 50% of the subscribed capital with voting rights must be present or represented on first call for the General Shareholders' Meeting to validly adopt decisions regarding: the issue of bonds or debentures; the cancellation or restriction of any ~~preemptive~~pre-emptive rights to subscribe for new shares; the conversion, merger, spin-off or global assignment of assets and liabilities; ~~the liquidation of the Company~~; the transfer of the registered seat abroad, the increase or reduction of the share capital and generally any amendment to the Articles of Association. On second call, 25% of the share capital present or represented shall be a quorum, ~~except that, if the attending shareholders hold less than 50% of the subscribed capital with voting rights, then a resolution on any of the above matters may only be validly passed with the affirmative vote of two thirds of the capital present or represented at the meeting.~~
3. Absences occurring once the General Shareholders' Meeting has been validly formed shall not render the meeting invalid.
4. If to validly adopt a resolution regarding one or more of the items on the agenda, under any applicable regulations or the Articles of Association of the Company, the attendance of shareholders holding a specific percentage of the share capital is required and no such percentage is reached on first call, the General Shareholders' Meeting shall be held on second call. If the relevant quorum to pass such resolution is not reached on second call, the General Shareholders' Meeting held on second call shall only be allowed to proceed on those items on the agenda which do not require the attendance of shareholders holding such a percentage to validly adopt resolutions.
5. The above provisions shall be without prejudice to any reinforced quorum requirements ~~or voting~~ majorities prescribed by applicable laws or the Articles of Association from time to time.

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Article 18.- Officers of the General Shareholders' Meeting

1. The ~~o~~Officers of the General Shareholders' Meeting are the Chairperson and the Secretary to the meeting, as well as the members of the ~~management body~~Board of Directors of the Company.
2. The General Shareholders' Meeting shall be chaired by the Chairperson of the Board of Directors or, ~~failing that~~in the event of vacancy, absence or illness, by the Deputy Chairperson; if there are several Deputy Chairpersons of the Board, the meeting shall be chaired by the relevant Deputy Chairperson according to the order established by the Board of Directors at the time he/she was appointed as Deputy Chairperson. Failing the Chairperson and all Deputy Chairpersons of the Board of Directors, the General Shareholders' Meeting shall be chaired by that member of the Board of Directors appointed by the General Shareholders' Meeting.
3. The Chairperson shall be assisted by a Secretary ~~and/or a Deputy Secretary~~. The Secretary to the General Shareholders' Meeting shall be the Secretary to the Board of Directors or (~~if the Secretary to the Board is not present~~in the event of vacancy, absence or illness) the Deputy Secretary. Otherwise, the Secretary to the General Shareholders' Meeting shall be appointed by the ~~attending shareholders and no Secretary so appointed need be a shareholder. A Secretary who is not a shareholder shall have a right to speak but no right to vote~~Officers of the General Shareholder's Meeting.
4. The Chairperson, even when present at the meeting, may appoint the Secretary or any member of the ~~management body~~Board of Directors, as the Chairperson may see fit, to order and conduct the discussions at the meeting. The Chairperson may also enlist the assistance of any expert as the Chairperson may see fit.

Article 19.- Proceedings at the General Shareholders' Meeting

Without prejudice to the provisions of the Articles of Association of the Company, it is the duty of the Chairperson to declare the General Shareholders' Meeting validly formed; to lead and establish the order of discussions and presentations and the time allocated to each of them under this Rules; to bring an end to discussions once the Chairperson considers that the matter has been sufficiently discussed; to order voting to take place; to resolve any doubts arising about the agenda and the attendance list; to announce the approval of any resolutions; to close or adjourn the meeting, and generally to exercise any authority, including in matters of order and discipline, that is necessary to properly conduct the meeting, including the authority to order the removal from the meeting of those who disrupt the normal proceedings of the meeting and the authority to construe the provisions in this Rules.

Article 20.- Registration of shareholders

1. In the place and on the date scheduled for the General Shareholders' Meeting on first or second call, and starting one hour before the time scheduled for the commencement of the meeting (unless otherwise specified in the notice of call), shareholders or their proxies may file their attendance, proxy and remote voting cards as well as, where

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appropriate, any proxy documentation with any staff in charge of registering shareholders. No attendance, proxy and remote voting cards and proxy documentation filed after the time scheduled for the commencement of the General Shareholders' Meeting shall be accepted.

2. Shareholders (attending in person or by proxy) shall be registered by any officers appointed by the Secretary to the General Shareholders' Meeting, using where appropriate any technical resources deemed convenient.
- ~~3. Shareholders casting their votes remotely in accordance with the provisions of the Articles of Association of the Company and these Rules shall be deemed as being in attendance for the formation of the General Shareholders' Meeting.~~

Article 21.- Attendance list

1. If upon completion of the registration process for attendance, proxy and remote voting cards ~~and proxy documentation~~, the meeting is found to be validly quorate, an attendance list shall be prepared.
2. Shareholders or their proxies, as appropriate, arriving late at the place where the General Shareholders' Meeting is being held, once registration of attendance ~~of~~ proxy and remote voting cards has closed, shall be issued with an invitation card so that they may, if they so wish, follow the meeting (either in the same room where such meeting is being held or, if deemed appropriate by the Company to avoid any disruption during the meeting, in an adjoining room), but neither such shareholders nor such proxyholders ~~(nor the shareholders represented by such proxyholders)~~ shall be included on the attendance list.
3. The General Shareholders' Meeting shall commence at the scheduled place, date and time, on first or second call once the Board of the meeting has been formed and the attendance list has been prepared.
4. First, the Secretary shall relate to essential data of the call and may read out the notice of ~~call~~ convocation if deemed appropriate by the President. Then the Secretary will publicly read the total figures resulting from the attendance list, stating the number of shareholders with a right to vote present (including those who, where appropriate, have cast their vote ~~remotely~~ by remote means of communication) and represented at the meeting; the number of shares held by each of these groups; and the percentage of the share capital that they represent, specifying, where appropriate, the percentage held by shareholders entitled to vote. The Chairperson shall then declare the General Shareholders' Meeting validly in session, on first or second call, as appropriate.
5. At the start of the General Shareholders' Meeting, the Secretary's statement on the list of attendees may be made provisionally for the purpose of accrediting the sufficiency of the quorum for the valid constitution of the Meeting (for these purposes, the process of registering attendees may be closed minutes before the time established for the start of the General Shareholders' Meeting). In any event, the definitive closure of the list

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(for which purpose the registration of attendees will be accepted up to the time established for the start of the General Meeting) and the consequent determination of the definitive quorum must be made before putting the proposed resolutions corresponding to the different items on the agenda of the General Meeting to the vote.

6. ~~5.~~ Thereafter, and without prejudice to their right to make any statements they consider appropriate when offered the floor, shareholders may call on the notary public who was asked to attend (or otherwise on the Secretary) to record in the minutes of the meeting their reservations or objections regarding the formation of the meeting or the figures in the attendance list that were previously read out. No such request shall unduly delay, disrupt or postpone the ordinary course of the meeting.
7. ~~6.~~ If the attendance list is included at the beginning of the minutes of the General Shareholders' Meeting, it shall be attached as a schedule to such minutes signed by the Secretary and the Chairperson of the meeting. The attendance list may also be prepared as an electronic file or saved into any computer media. In these cases, the type of media used shall be recorded in the minutes and the sealed cover of such file or media shall include a statement signed by the Secretary and the Chairperson of the General Shareholders' Meeting for identification.

SECTION III: PARTICIPATION BY SHAREHOLDERS

Article 22.- Requests to address the meeting

1. Once the General Shareholders' Meeting has been duly formed and to allocate speaking times, the Chairperson shall request that shareholders who wish to exercise their right to address the meeting or, where appropriate, request information or clarifications concerning items on the agenda, of the information accessible to the public that the Company has provided to the Comisión Nacional del Mercado de Valores since the last General Meeting and of the auditor's report or make any proposals, in legally permitted cases, to identify themselves to the notary public (or otherwise to the Secretary) or to their nominees, stating their full name and the number of shares they hold or represent.
2. If the shareholder (or his proxy) wishes his statement or proposal to be recorded *verbatim* in the minutes of the meeting, he must submit such statement or proposal in writing at that time to the notary public (or otherwise to the Secretary), so that the notary public (or the Secretary) may collate such written statement or proposal with the address delivered by the shareholder (or his proxy).
3. The floor shall be opened for shareholders once the ~~o~~Officers of the meeting have compiled the list of shareholders who wish to address the meeting, following any introductory speech by or submission of any reports that, where appropriate, the Chairperson, the Managing Director (if any), the Chairpersons of the different Committees ~~reporting to~~of the Board of Directors, other members of the ~~management body~~Board of Directors or any other individual appointed by the Chairperson may have prepared and, in any event, before any vote on the items of the agenda.

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Article 23.- Shareholders' right to address the meeting

1. Shareholders shall address the meeting in the order in which they are called by the Officers of the meeting, as determined by the Chairperson of the General Shareholders' Meeting.
2. In exercising his authority to conduct the General Shareholders' Meeting, and without prejudice to any other actions, the Chairperson may:
 - a. determine the maximum time allotted to each shareholder, which should initially be the same for each of them;
 - b. agree, where appropriate, to extend or reduce the time initially allotted to each shareholder, based on the purpose and content of their speech;
 - c. set a time limit for the shareholders to speak, whenever he considers that a matter has been sufficiently discussed;
 - d. invite the addressing shareholders to clarify any issues that have not been sufficiently explained during their address;
 - e. call on addressing shareholders so that they confine their speech to matters reserved to the General Shareholders' Meeting and refrain from making improper remarks or exercising their right to speak in an abusive or obstructive manner;
 - f. announce to participants that the time allotted to their address is about to conclude so that they may adjust their speech and, once such time has come to an end, or if they persist in any conduct described in paragraph e) above, order them to yield the floor;
 - g. if he considers that the address by a shareholder may potentially alter the proper conduct of the meeting, ask such shareholder to leave the premises and, where appropriate, adopt such ancillary measures as are necessary to enforce such request; and
 - h. in the event that any participant intends to reply, grant (or not) the floor to that participant, as he may consider fit.

Article 24.- Right to receive information during the General Shareholders' Meeting

1. During the period allotted to shareholders to address the meeting, shareholders may verbally request any information or clarification that they deem necessary regarding matters included on the agenda, any public information provided by the Company to the CNMV since the last General Shareholders' Meeting was held, or information regarding the report prepared by the statutory auditor. To do so, requesting shareholders must have previously identified themselves under Article 22 above.

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2. Directors must provide such information in accordance with the preceding ~~paragraph in the manner and within the period provided by applicable regulations~~section, except in the circumstances ~~and subject to the requirements in~~of Article 9.4 of these Regulations, ~~which shall also apply in this case.~~

Likewise, when, prior to the formulation of a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's corporate website in the "Q&A" format, the directors may limit their reply to refer to the information provided in that format.

3. The requested information or clarification shall be provided by the Chairperson or, where appropriate and if so directed by the Chairperson, by the Managing Director (if any), the Chairpersons of the Committees of the Board of Directors, the Secretary or Deputy Secretary, a director or, if appropriate, by any employee or expert in the field. The Chairperson shall determine in each case, and depending on the information or clarification requested, if the best course of action for the smooth operation of the General Shareholders' Meeting is to provide each answer individually or grouped by subject matter.
4. If directors are unable to provide a full answer to the relevant shareholder at the General Shareholders' Meeting, the directors shall provide the requested information in writing to such shareholder within seven days after the General Shareholders' Meeting. ~~All written answers provided by the directors shall be posted on the Company's corporate website.~~

Article 25.- Extension and adjournment of the General Shareholders' Meeting

1. The General Shareholders' Meeting may be extended over one or more consecutive days upon a proposal by the directors or a number of shareholders representing at least 25% of the capital present or represented at the meeting. Regardless of the number of sessions held, they shall be regarded as a single meeting, and only one set of minutes shall be drawn up for all such sessions. Accordingly, it shall not be necessary to ensure compliance in successive sessions with any statutory requirements or other requirements specified in the Articles of Association of the Company or these Rules for such session to be valid. If a shareholder listed on the attendance list thereafter fails to attend any subsequent session, the voting majorities for such sessions shall still be determined based on the data resulting from such list.
2. As an exception, if any events occur that significantly disrupt the meeting or any other extraordinary circumstance temporarily prevents or hinders the ordinary course of the meeting, the Chairperson of the General Shareholders' Meeting may adjourn the session for as long as necessary to ensure that the conditions necessary to resume the meeting are duly met. The Chairperson may also take any measures deemed appropriate to ensure the safety of the attendees and avoid the repetition of circumstances that prevent or hinder the ordinary course of the meeting.

SECTION IV: VOTING AND RECORDATION OF RESOLUTIONS

Article 26.- ~~Remote voting~~ Casting of votes by remote means of communication prior to the General Shareholders' Meeting

1. Shareholders entitled to attend the meeting may vote prior to the General Meeting on proposals relating to items on the agenda of any General Shareholders' Meeting by remote communication means, meaning:
 - a. By mail, thereby submitting a duly signed and completed attendance proxy and remote voting cards issued by the Company, if any, or by the entity or entities in charge of keeping the registry of book entries, or other written instrument which, as resolved by the Board of Directors in a prior resolution adopted for such purposes ~~and duly published~~, allows the identity of the shareholder exercising his voting rights to be duly ~~verified~~ guaranteed; or
 - b. Through electronic correspondence or any other remote means of communication that the Board of Directors may have specified, where appropriate, on the notice of call for each General Shareholders' Meeting, provided that ~~the document under which the shareholder is casting his vote complies with any requirements established by the Board under a resolution duly published and passed in advance for such purpose to authenticate and they~~ meet the appropriate guarantees to verify the identity of the voting shareholder, and, where appropriate, the security of electronic communications.
2. Votes that are cast remotely as described above shall only be valid if received by the Company by midnight on the day immediately preceding the date scheduled for holding the General Shareholders' Meeting. The Board of Directors may set a shorter period for receiving votes by remote ~~votes~~ means of communication.
3. If no express instructions are included in the remote voting, or if they are only included in respect of some of the items on the agenda of the call to meeting, it shall be understood that the remote vote refers to all the items included in the agenda of the call to the General Shareholders' Meeting and that it is in favour of the proposals made by the Board of Directors.
The means by which the shareholder may cast his vote by remote means may provide, in relation to proposed resolutions concerning items not included in the agenda of the call to meeting, for the granting of his proxy, in which case the rules established for this purpose in these Regulations shall apply to the proxy.
4. ~~3-~~ Shareholders voting ~~remotely~~ by remote means under the above provisions shall be deemed present for the purposes of the formation of the relevant General Shareholders' Meeting. Consequently, any proxies granted before such vote shall be deemed cancelled, and any proxies granted after such vote shall be ignored.
5. ~~4. Remote votes~~ Votes cast by means of remote communication under the provisions herein shall be rendered null and void only:

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- a. If they are thereafter expressly revoked by the same means used to cast such votes, always within the initial period allowed to cast the vote.
 - b. If the voting shareholder or his proxy attends the meeting in person, either physically or telematically.
 - c. Upon a sale of the relevant shares, of which the Company becomes aware, at least five days before the date scheduled for the General Shareholders' Meeting.
6. ~~5.~~ The Board of Directors may implement the above provisions establishing the rules, means and procedures appropriate to the state of the art to facilitate the casting of remote votes and the granting of proxies by electronic means, where appropriate under any statutory provisions governing such system and the provisions in the Articles of Association and these Rules. ~~Such means and procedures shall be published on the website of the Company. The~~ In particular, the Board of Directors shall adopt any necessary measures to ensure that the shareholder casting the vote or appointing a proxy by post or electronic communication is duly authorised to do so under the Company's Articles of Association and these Rules. Such means and procedures shall be published on the website of the Company.
7. ~~6.~~ The addition of remote ~~voters~~ shareholders who have cast their vote prior to the General Meeting by remote means of communication to the attendance list shall proceed by combining the computer media where they are registered with any storage media containing the rest of such list. If the list is prepared under the form of a file listing all attendance, proxy and remote voting cards, such addition shall proceed by producing a hard copy including the same information as the information on the card for each shareholder who voted through electronic ~~or remote~~ means, without prejudice to the preservation in any durable electronic medium of evidence of the vote received.

Article 26 bis.- Attendance at the General Meeting by telematic means

The Company may enable attendance at the General Meeting by telematic and simultaneous means that duly guarantee the identity of the shareholders and their proxies and the casting of votes during the holding of the Meeting, provided that the Board of Directors so resolves. In this case, the notice of call shall establish the deadlines, forms and methods of exercising shareholders' rights, in accordance with the provisions of the Articles of Association and these Regulations. In particular, the Board of Directors may determine that the interventions and proposed resolutions which, in accordance with the Law and these Regulations, those who intend to attend by telematic means, shall be sent to the Company prior to the constitution of the General Meeting. All such information shall also be posted on the Company's website.

SECTION IV: VOTING AND RECORDATION OF RESOLUTIONS

Article 27.- Voting on proposed resolutions

1. Once the period for shareholders to address the meeting has ended and any information or clarifications have, where appropriate, been provided under these Rules, the proposed resolutions on the items included in the agenda -or other proposals (if any) regarding any other matters which, by law, need not be included in the agenda- shall be put to a vote. In the case of those proposals which need not be so included in the agenda, ~~the Chairperson of the General Shareholders' Meeting shall decide on the order in which these shall be put to a vote.~~
2. There shall be no requirement for the Secretary to read out proposed resolutions in advance if the ~~text of the relevant resolution was already made available to~~ texts have been at the disposal of shareholders ~~at prior to the start of the meeting~~ General Meeting unless otherwise requested (in respect of all or any proposal) ~~by any shareholder or otherwise~~ deemed appropriate by the Chairperson. In any event, attendees shall be informed of the item on the agenda to which the proposed resolution that is being put to a vote refers.
3. Significantly independent matters shall be voted on separately, even if they are listed under or relate to the same item in the agenda, so that shareholders may exercise their voting preferences separately. This rule shall apply, in particular: (i) to the appointment, confirmation, re-election or removal of each director, which should be voted on separately; (ii) to an advisory vote on the annual report on the remuneration of directors; and (iii) in the event of any amendments of the Articles of Association of the Company, in respect of each article or group of articles that is essentially independent. ~~However~~
Without prejudice to the above, if circumstances so advise, the Chairperson may decide that the proposals corresponding to various items on the agenda be submitted to a single vote, and the resulting vote shall be deemed to apply to each proposal if none of the attendees expressed their intention to change the direction of their vote regarding any specific item. Otherwise, any such changes expressed by each attendee and the outcome of the vote in respect of each proposal arising as a result of such changes shall be noted in the minutes.
4. The procedure to adopt resolutions shall follow the order of the agenda included in the notice of call. First, any resolutions proposed by the Board of Directors shall be put to a vote, followed by any resolutions proposed, where appropriate, by other proponents and any proposals related to matters on which the General Shareholders' Meeting is authorised to resolve even though such matters were not on the agenda. The Chairperson shall decide the order in which such matters shall be put to a vote. In any event, once a proposal has been adopted as a resolution, all other proposals relating to the same matter that are incompatible with it shall be automatically withdrawn and shall not, therefore, be submitted to a vote.

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5. As a general rule and without prejudice to the authority of the Chairperson to use alternative voting procedures and systems, for the purposes of voting on proposed resolutions, the direction of the shareholders' votes shall be determined as follows:
 - a. In the case of proposed resolutions related to items included in the agenda of the call carried out or taken over by the Board, the votes corresponding to all shareholders attending in person or by proxy shall be considered as votes for such resolution, after deducting any votes corresponding to: those shares whose holders or proxies stated that they vote against, in blank or abstain by notice to the notary public (or otherwise to the Secretary to the General Shareholders' Meeting) or his assistants, to be recorded in the minutes; those shares whose holders voted against or in blank or expressly stated their abstention by remote communication means under these Rules; those shares whose holders or proxies left the meeting before the vote on the relevant proposal, provided that their departure from the meeting was recorded by the notary public or his assistants (or otherwise by the Secretary to the General Shareholders' Meeting).
 - b. In the case of proposed resolutions related to items not included in the agenda of the call or proposals not taken up by the Board, the votes corresponding to all shareholders attending in person or by proxy shall be considered as votes against such resolution, after deducting any votes corresponding to: those shares whose holders or proxies state that they vote for, in blank or abstain by notice to the notary public (or otherwise to the Secretary to the General Shareholders' Meeting) or his assistants, to be recorded in the minutes; ~~those shares whose holders voted for or in blank or expressly stated their abstention by remote communication means under these Rules~~; those shares whose holders or proxies left the meeting before the vote on the relevant proposal, provided that their departure from the meeting was recorded by the notary public or his assistants (or otherwise by the Secretary to the General Shareholders' Meeting).
 - c. Any statements or notices to the notary public (or, failing that, to the Secretary or any assistants) referred to in paragraph a) above regarding the direction of the vote or any abstention may be made individually with respect to each of the proposed resolutions or in aggregate in respect of several or all resolutions, by confirming to the notary public (or otherwise to the Secretary or their assistants) the identity and status (i.e., as a shareholder or proxy) of the voter, the number of shares being voted and the direction of such vote or, if appropriate, any abstention.

Article 28.- Conflict of interests

1. Shareholders may not exercise any voting rights attached to their shares whenever the proposed resolution is intended to:
 - a. Release the shareholder from any obligation, or grant any right to such shareholder;

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- b. Provide such shareholder with any financial assistance, including any guarantee; or
- c. Release such shareholder from any obligations derived from any duty of loyalty under applicable regulations.

2. In cases of conflict of interest of shareholders other than those provided for in section 1 above, the shareholders affected shall not be deprived of their voting rights, without prejudice to the provisions of law in this respect.

Article 29.- Adoption of resolutions and closure of the General Shareholders' Meeting

1. Resolutions shall be carried by a simple majority of the shares with voting rights held by shareholders attending (either in person or by proxy) the General Shareholders' Meeting, and a resolution shall be deemed to have been adopted whenever it has more votes for than against from voting shares present and represented at the meeting unless applicable laws or the Articles of Association require a qualified majority. To determine the number of shares upon which the aforementioned majority required for the adoption of resolutions on matters not included in the agenda shall be calculated, shares that are not present or represented at the meeting shall be excluded.
2. The Chairperson shall declare any resolution duly passed whenever he has determined that there are sufficient votes for such resolution but shall ensure that the direction of the vote or the abstention of any attending shareholders who request so to the notary public (or, where appropriate, to the Secretary or their assistants) is recorded in the minutes.
3. Once all proposals have been voted and the result of the vote has been announced by the Chairperson, the General Shareholders' Meeting shall come to an end and the Chairperson shall adjourn the meeting.

Article 30.- Minutes of the General Shareholders' Meeting

1. All decisions of the General Shareholders' Meeting shall be recorded directly on the minutes book or otherwise copied onto such book. The minutes must be approved by the General Shareholders' Meeting upon closing of the meeting or, failing this and within any term provided for in the relevant regulations applicable to the Company, by the Chairperson and two scrutineers (one of them acting on behalf of the majority, and the other acting on behalf of the minority).
2. Corporate decisions recorded in minutes approved as described above may be implemented from the date of such approval.
3. The ~~management body~~Board of Directors may ask a notary public to attend the General Shareholders' Meeting and take the minutes and shall do so following a request to such effect -filed five days before the date scheduled for the meeting- by shareholders representing at least one per cent of the share capital.

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4. The minutes taken by a notary public shall constitute the minutes of the meeting, and shall not be subject to the approval of the meeting.

Article 31.- Publicity of resolutions

Without prejudice to the registration with the Spanish Commercial Registry of any resolutions subject to compulsory registration, and notwithstanding any applicable statutory provisions regarding the publication of company resolutions, the Company shall notify the approved resolutions to the CNMV as a regulatory disclosure (~~hecho~~otra información relevante), either *verbatim* or by providing an extract thereof. The text of all resolutions passed and the result of the votes corresponding to all General Shareholders' Meetings held during the current and the previous year shall be published in full on the website of the Company within five days after the end of the relevant meeting. Upon a request by any shareholder or his proxy-holder at the relevant General Shareholders' Meeting, the Secretary shall issue a certificate of the resolutions or the notarial minutes, if applicable.

~~TITLE V.- APPROVAL AND AMENDMENT~~

~~Article 32.- Approval and amendment~~

~~These Rules and any subsequent amendments thereto shall be approved by the General Shareholders' Meeting which, for these purposes, shall be deemed validly in session on first call whenever attending shareholders (i.e., shareholders attending either in person or by proxy) hold at least twenty five per cent of the subscribed capital with voting rights. On second call, the meeting shall be validly in session whatever the subscribed capital present or represented thereat.~~

~~The Board of Directors may submit any proposal to amend these Rules to the General Shareholders' Meeting whenever deemed necessary or convenient. The directors shall include with the proposal a report explaining such amendment(s).~~

REPORT ISSUED BY THE APPOINTMENTS AND REMUNERATIONS COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED AMENDMENT OF THE REMUNERATIONS POLICY OF THE COMPANY, SET OUT IN ITEM SEVEN OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 21 AND 22, 2021, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

Article 529 novodecies of the consolidated text Spanish Companies Act, enacted by Royal Legislative Decree 1/2010, of 2 July ("**Spanish Companies Act**") the Board of Directors of Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or "**Company**"), includes the obligation for listed companies to draft and submit for the approval of the General Shareholders' Meeting a policy on the remuneration of the members of the board of directors. The drafting of the proposal that will be submitted for the approval of the General Shareholders' Meeting corresponds to the Board of Directors of the Company. Furthermore, the proposal must be submitted together with a specific report issued by the Appointments and Remunerations Committee. In order to comply with the aforementioned provision, the Appointments and Remunerations Committee of Lar España has drafted this report on the proposed Remunerations Policy of the Company for the financial year 2021 to 2023, both included (the "**Remunerations Policy**"), which will entirely replace the policy applicable from 2018 to 2020, for its submission to the Board of Directors of the Company.

2. APPLICABLE RULES TO THE DIRECTORS' REMUNERATION

The main rules that govern the remuneration of the directors of Lar España are the following:

a. Spanish Companies Act

The Spanish Companies Act states that the directors' office in listed companies must be remunerated, unless otherwise provided for in the by-laws of the corresponding company. Lar España's by-laws confirm that the directors' office is remunerated and include the remuneration structure for the directors on their condition as such. Furthermore, the by-laws regulate the additional remuneration that payable to executive directors and that shall be determined by the Board of Directors, where appropriate. Directors' remuneration, whether for their condition as such or for the performance of executive duties, must comply with the provision included in the Remunerations Policy.

With regard to the directors on their condition as such (non-executive directors), the Remunerations Policy must determine their remuneration within the system provided for in the by-laws of the Company and necessarily include the annual amount payable to all the directors on their conditions as such.

With regard to the directors that carry out executive duties (executive directors), the Remunerations Policy must include their annual fixe remuneration and its variation throughout the period during which the policy is applicable, the parameters used to determine the variable remuneration and the main terms and conditions of the service agreements entered into with the Company (specifically including their duration, any

severance pay triggered by early termination of the contractual relationship, exclusivity agreements, post-contractual non-compete clauses and any retainers).

Any compensation paid to the directors for the performance or termination of their duties, or the performance of executive duties must be in accordance with the applicable Remunerations Policy, except for those compensations specifically approved by the General Shareholders' Meeting.

Furthermore, the Spanish Companies Act states that, in general, directors' remunerations must be in accordance with the relevance of the company, the economic situation that it may have from time to time and the market standards of comparable companies. Likewise, the remuneration system must promote the long-term profitability and sustainability of the company and incorporates the necessary safeguards to avoid excessive risk-taking or the reward of unfavourable results.

b. Lar España's by-laws and other internal rules

The Company's regulation regarding directors' remuneration is included in article 40 of the Company's by-laws and it is further developed in article 27 of the Board of Directors' Rules and Regulations. These rules also govern the composition, functioning and powers of the Appointments and Remunerations Committee.

3. PRINCIPAL CHANGES TO THE REMUNERATIONS POLICY

The new Remuneration Policy essentially includes the same terms and conditions of the current Policy, with the modifications introduced in the proposed Remuneration Policy, in comparison with the current one, having the sole purpose of (i) incorporate in section I the reference to the current context marked by the Covid-19 pandemic, (ii) include the literal wording of Recommendation 56 of the Good Governance Code with which the Company had already been complying, and (iii) adapt certain aspects of wording to the literal wording of the provisions of the Capital Companies Act and the Company's internal regulations.

4. CONTENT OF THE REMUNERATIONS POLICY

The complete text of the proposed Remunerations Policy is attached to this report.

5. IN-FORCE PERIOD

Under article 529 novodecies of the Spanish Companies Act, the Remunerations Policy will be applicable during the financial years 2021, 2022, and 2023, except if the Company's General Shareholders' Meeting agrees to its amendment or substitution during this period.

6. CONCLUSIONS

Based on the information included in this report, the Appointments and Remunerations Committee of the Company considers that the proposed Remunerations Policy for the financial year 2021 to 2023, which substitutes the policy valid from 2018 to 2020, contains all the items required by the applicable law, specifically regarding the regulation of the remuneration of listed companies, complies with good governance and transparency criteria and is aligned with shareholders' interests.

Madrid, March 18, 2021



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ANNEX



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Remunerations Policy for the members of the Board of Directors

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1. BACKGROUND AND SCOPE OF THE REMUNERATIONS POLICY

This document reflects the Remunerations Policy for the members of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (“**Lar España**” or the “**Company**”) in compliance with the statutory requirements included in the consolidated text of the Spanish Companies Act (the “**Remunerations Policy**”).

The Remunerations Policy has been prepared by the Company taking into account the significance of the Company, its economic situation, its condition as a Listed Real Estate Investment Company (SOCIMI), the market standards for other Spanish SOCIMIS and Real Estate Investment Trusts (REITs) from the rest of Europe and the particular dedication of the directors of the Company. The Company has also, of course, taken into account the current context marked by the crisis generated by the Covid-19 pandemic.

At the beginning of this process, the Company was advised by Willis Towers Watson to carry out a comparative analysis of the remuneration applicable in comparable companies and sectors. However, in view of the situation generated as a result of the pandemic, the Company has considered it appropriate to submit to the approval of the Board a remuneration policy that is contained and continues with the previous policy, without making any material changes thereto.

The remuneration defined below maintains an adequate proportion and promotes the Company’s long-term profitability and sustainability. The Remunerations Policy also incorporates the necessary safeguards to avoid excessive risk-taking or rewarding unfavorable results, and to align the interest of the directors with those of the Company and its shareholders without compromising the independence of the directors.

2. OBJECTIVES OF THE REMUNERATIONS POLICY

The Remunerations Policy is intended to define and control the remuneration practices of the Company’s directors to contribute to the creation of value for the shareholders of the Company in a sustainable manner in the long term.

Consequently, the Remunerations Policy seeks to establish an adequate remuneration scheme linked to the dedication and responsibilities assumed by the directors, and shall be applied to attract, retain and motivate the directors of Lar España with the objective of ensuring that the Company has the adequate professional that contribute to the achievement of the Company’s strategic objectives.

3. GOVERNING PRINCIPLES AND CRITERIA OF THE REMUNERATIONS POLICY

In order to develop a good corporate governance framework, Lar España has considered appropriate to establish clear corporate governance principles to ensure that the remuneration strategy approved by the Board of Directors is implemented in accordance with the Company's strategy, based on the principles of competitiveness and fairness.

In this respect, the remuneration of directors who receive remuneration for the performance of their duties shall be governed by the following principles:

3.1. Independent judgment

Remuneration shall be structured so that the independent judgment of the directors is not compromised, with a special focus on the remuneration granted to non-executive directors.

3.2. Attraction and retention of the best professionals

The remunerations granted by the Company will be competitive in order to attract and retain talent that contributes to the creation of value for the shareholders of the Company and the achievement of the Company's strategic objectives.

3.3. Long-term sustainability

Remuneration shall be compatible with the Company's long-term business interests and strategy, as well as its values and goals, and shall take into account, if necessary, any adequate precautions to avoid conflicts of interest.

3.4. Transparency

The Remunerations Policy and the specific rules for the determination of the remuneration amounts shall be explicit and disclosed in advance. In particular, the Company will make the Annual Report on Remuneration of Directors available to its shareholders at the moment of the announcement of its ordinary General Shareholders Meeting, which will be submitted for a consultative vote on a separate item of the agenda.

3.5. Simplicity and individualization

The rules governing the management and determination of compensation shall be drafted clearly and concisely.

3.6. Fairness and proportionality of compensation

Remuneration shall be set taking into account the dedication, qualification, experience and responsibilities of each director and the functions and tasks performed by such director.

Also, the remuneration paid by the Company shall maintain a balance between market competitiveness and internal fairness.

3.7. Involvement of the Appointments and Remunerations Committee

The Remunerations Policy has been proposed, on the proposal of the Appointments and Remuneration Committee, by the Board of Directors for its submission to the Ordinary General Shareholders' Meeting of the Company for its approval.

The Appointments and Remunerations Committee will overview the compliance with this Remunerations Policy, carry out periodic reviews and propose its amendments to the Board of Directors for it to, in turn, submit the proposal to the General Shareholders' Meeting for its approval, in accordance with the provisions included in the Company's By-Laws, the Board of Directors' Rules and Regulations and the Committee's own Regulations.

3.8. Approval of the annual global maximum quantity of the directors' remuneration by the General Shareholders' Meeting and delegations in favor of the Board of Directors

Based on the annual maximum amount of the directors' remuneration for their condition as such, approved by the General Shareholders' Meeting, the Board of Directors has the power to determine such amount among its members in accordance with the duties and responsibilities of each director, its assistance and participation in any of the Committees of the Board and other objective circumstances that the Board considers relevant.

4. REMUNERATION OF THE DIRECTORS AS MEMBERS OF THE BOARD

In connection with the remuneration payable to the members of the Board of Directors in their capacity as such, i.e., for the performance of their supervisory and decision-making functions within the Board of Directors and the Committees to which they belong, the objective of the Remunerations Policy is to compensate them adequately and sufficiently for their dedication, qualification and responsibility, without compromising their independent judgment.

In accordance with Article 40 of the By-Laws of the Company, directors are entitled to receive an annual fixed remuneration in considerations for their duties as directors, without prejudice to the fact that, in accordance with the provisions of this Remunerations Policy, the Board of Directors may take into account for these purposes the distinction between proprietary and independent directors. In turn, directors that carry out executive duties, where appropriate, are entitled to receive the compensation provided for in the services

contract entered into with the Company. Additionally, all directors will receive the corresponding compensation for any travel expenses in which they may incur to attend the meeting of the Board and the Committees to which they belong.

The maximum amount payable by the Company as compensation to all of its directors for these items may not exceed the relevant amount determined for this purpose by the General Shareholders' Meeting. The amount thus determined by the General Shareholders' Meeting shall apply unless and until the General Shareholders' Meeting approves other amount in accordance with applicable laws.

However, the determination of the specific amount to be paid to each director for these items within the maximum amount approved by the General Shareholders' Meeting shall be agreed by the Board of Directors in accordance with this Remunerations Policy. For such purpose, the Board shall take into account the office held by each director within the Board itself, as well as the membership and attendance of each director to any Committee.

Finally, the Company shall pay for any premium due for any civil liability insurance policy taken out by the Company in respect of its directors upon customary market terms and commensurate with the circumstances of the Company.

4.1. Maximum amount of annual remuneration for directors

The maximum annual remuneration payable to the members of the Board of Directors in their capacity as such shall amount to EUR 530,000.

This maximum amount does not include: (a) any salary, compensation of any kind or payment that may be carried out under other concepts to the directors in accordance with the Remunerations Policy for their executive duties or for any other concept; (b) the premiums paid for any civil liability insurance by the Company for its directors; and (c) an reimbursement for the expenses incurred by the directors to attend the meeting of the Board or any of its Committees.

4.2. Annual fixed remuneration

The Board of Directors shall establish the criteria in order to determine the remuneration payable to each director, taking into account:

- The category of the Director.
- The office held by the director in the Board of Directors and in any of its Committees.

- The specific functions and responsibilities assumed during the year.
- The experience and knowledge required to carry out those functions.
- The amount of time and dedication required to carry out effectively such functions.
- Any other objective circumstances that may be considered relevant.

Considering the above, it is hereby stated that, for the exception of proprietary directors, which will not receive any compensation (notwithstanding the fact that they are beneficiaries of civil liability insurance), each director of Lar España will receive an annual fixed remuneration of EUR 70,000. The Chairman of the Board will receive, an additional annual remuneration of EUR 55,000 (amounting to a total of EUR 125,000 annually).

Additionally, and except for proprietary directors, members of the Board of Directors that are members of:

- the Audit and Control Committee will receive an additional annual remuneration of EUR 15,000 for participating in the meetings of the Committee. The Chairman of the Audit and Control Committee will receive, an additional remuneration of EUR 7,500 (amounting to a total of EUR 22,500 annually).
- the Appointments and Remunerations Committee will receive an additional annual remuneration of EUR 15,000 for participating in the meetings of the Committee. The Chairman of the Appointments and Remunerations Committee will receive, an additional remuneration of EUR 2,000 (amounting to a total of EUR 17,000 annually).

Those directors, who, appointed by Lar España, participate in any corporate bodies of the subsidiaries that Lar España participates with other partners may perceive an additional fixed remuneration of EUR 15,000 per year and subsidiary.

These amounts are payable on the basis of a full tax year. Where a director sits in the Board for less than a full tax year, the amount payable to such a director shall be prorated accordingly. If the number of members of the Board of Directors were increased within the limits foreseen in the Company's by-laws, the fixed remuneration payable to any additional director shall be determined in accordance with the provisions above.

5. TERMS INCLUDED IN THE EXECUTIVE DIRECTORS' SERVICE AGREEMENTS

In the event that Lar España decides to appoint executive directors, it shall be up to the Board of Directors to set the remuneration payable to them for performance of their executive duties, according to legal requirements and in accordance with the By-Laws of the Company.

This Remunerations Policy would therefore have to be adapted in order to specify the amount of fixed annual remuneration and the change therein during the reporting period; the various parameters used to determine their variable remuneration; and the main terms and conditions of their contracts, specifically including their duration, any severance pay triggered by early termination of the contractual relationship, exclusivity agreements, post-contractual non-compete clauses and any retainers.

6. OTHER REMUNERATION PAID TO THE DIRECTORS FOR SERVICES NOT INCLUDED IN THEIR DUTIES AS DIRECTORS

Directors may receive an additional remuneration in cash, shares or options over shares of the Company if the Board of Directors, following a report issued by the Appointments and Remunerations Committee, considers that it is in the best interest of the Company to incentivize and reward a director's involvement and worthy performance in certain transactions and, specifically, when the director is involved in the planning, preparation, negotiation or execution of transactions deemed to be relevant or fundamental for the future of the Company. The objectives to be achieved by the beneficiaries of these plans may be complemented with the achievement of other parameters that measure the positive evolution of the Company's business in the long term.

To promote the correct performance of their duties and aligned the long term interests of the directors and those of the shareholders, remunerations for the services rendered to the Company that are different from those corresponding to their condition as directors may be carried out through the granting of shares of the Company. In that case, in accordance with the provisions included in the Spanish Companies Act, the remuneration will required the approval of the Company's General Shareholders' Meeting.

7. GOVERNANCE MATTERS

7.1. Preparation, approval and review of this Remunerations Policy

The Board of Directors, on the proposal of the Appointments and Remuneration Committee, shall submit to the General Shareholders' Meeting a Remunerations Policy proposal at least every three years. This proposal shall be submitted as a separate item of the agenda, which shall be accompanied by a specific report from the Appointments and Remuneration Committee. The report of the Appointments and Remuneration Committee shall be attached to the proposal of the Board of Directors.

The proposed Remunerations Policy submitted by the Board of Directors and the report prepared by the Appointments and Remuneration Committee shall be made available to the shareholders on the Company's website as of the date of the announcement of the General Shareholders' Meeting. Shareholders may also request the delivery or sending, free of charge, of a copy of the referred documents. The announcement shall make a reference to this right.

The Appointments and Remuneration Committee will continuously review this Policy and, specifically, its appropriateness to achieve the objectives included in section 2 of this Policy. Likewise, at the proposal of the Appointments and Remunerations Committee, the Board of Directors may approve to hire an external expert for it to participate in the review process of the Remunerations Policy.

7.2. Supervision and application of the Remunerations Policy

The Board of Directors is responsible for establishing a control and supervision regime in respect of the specific requirements set out in the Remunerations Policy, while the Appointments and Remuneration Committee is responsible for ensuring the compliance of such Policy.

7.3. Term of the Remunerations Policy

This Remunerations Policy shall be in effect for three financial years after its approval by the General Shareholders' Meeting of the Company (financial years 2021, 2022 and 2023). Notwithstanding the above, the General Shareholders' Meeting of Lar España may amend, modify or replace this Remunerations Policy at any time in accordance with the procedure described above.

MOTIVATED PROPOSAL BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE AMENDMENT OF THE REMUNERATIONS POLICY OF THE COMPANY, SET OUT IN ITEM SEVEN OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 21 AND 22, 2021, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

Under article 529 novodecies of the consolidated text Spanish Companies Act, enacted by Royal Legislative Decree 1/2010, of July 2 ("**Spanish Companies Act**") the Board of Directors of Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or "**Company**"), based on a report from the Appointments and Remuneration Committee, prepared and approved this reasoned proposal for amending the Remunerations Policy of the Company for the financial year 2021 to 2023, both included (the "**Remunerations Policy**"), which will be submitted for approval at the Ordinary General Shareholders' Meeting that will possibly take place on April 22, 2021.

If the General Shareholders' Meeting approves the amendments to the Remunerations Policy, this amended text of the Remunerations Policy will substitute and replace the text that up to this moment has been in effect.

2. APPLICABLE RULES TO THE DIRECTORS' REMUNERATION

The main rules that govern the remuneration of the directors of Lar España are the following:

a. Spanish Companies Act

The Spanish Companies Act states that the directors' office in listed companies must be remunerated, unless otherwise provided for in the by-laws of the corresponding company. Lar España's by-laws confirm that the directors' office is remunerated and include the remuneration structure for the directors on their condition as such. Furthermore, the by-laws regulate the additional remuneration that payable to executive directors and that shall be determined by the Board of Directors, where appropriate. Directors' remuneration, whether for their condition as such or for the performance of executive duties, must comply with the provision included in the Remunerations Policy.

With regard to the directors on their condition as such (non-executive directors), the Remunerations Policy must determine their remuneration within the system provided for in the by-laws of the Company and necessarily include the annual amount payable to all the directors on their conditions as such.

With regard to the directors that carry out executive duties (executive directors), the Remunerations Policy must include their annual fixe remuneration and its variation throughout the period during which the policy is applicable, the parameters used to determine the variable remuneration and the main terms and conditions of the service agreements entered into with the Company (specifically including their duration, any severance pay triggered by early termination of the contractual relationship, exclusivity agreements, post-contractual non-compete clauses and any retainers).

Any compensation paid to the directors for the performance or termination of their duties, or the performance of executive duties must be in accordance with the applicable Remunerations Policy, except for those compensations specifically approved by the General Shareholders' Meeting.

Furthermore, the Spanish Companies Act states that, in general, directors' remunerations must be in accordance with the relevance of the company, the economic situation that it may have from time to time and the market standards of comparable companies. Likewise, the remuneration system must promote the long-term profitability and sustainability of the company and incorporates the necessary safeguards to avoid excessive risk-taking or the reward of unfavourable results.

b. Lar España's by-laws and other internal rules

The Company's regulation regarding directors' remuneration is included in article 40 of the Company's by-laws and it is further developed in article 27 of the Board of Directors' Rules and Regulations. These rules also govern the composition, functioning and powers of the Appointments and Remunerations Committee.

3. PRINCIPAL CHANGES TO THE REMUNERATIONS POLICY

The new Remuneration Policy essentially includes the same terms and conditions of the current Policy, with the modifications introduced in the proposed Remuneration Policy, in comparison with the current one, having the sole purpose of (i) incorporate in section I the reference to the current context marked by the Covid-19 pandemic, (ii) include the literal wording of Recommendation 56 of the Good Governance Code with which the Company had already been complying, and (iii) adapt certain aspects of wording to the literal wording of the provisions of the Capital Companies Act and the Company's internal regulations.

4. CONTENT OF THE REMUNERATIONS POLICY

The complete text of the proposed Remunerations Policy is attached to this report.

5. IN-FORCE PERIOD

Under article 529 novodecies of the Spanish Companies Act, the Remunerations Policy will be applicable during the financial years 2021, 2022, and 2023, except if the Company's General Shareholders' Meeting agrees to its amendment or substitution during this period.

6. CONCLUSIONS

The Board of Directors of the Company acknowledges and approves the conclusions included in the report issued by the Appointments and Remunerations Committee and considers that the proposed Remunerations Policy for the financial year 2021 to 2023, which substitutes the policy valid from 2018 to 2020, contains all the items required by the applicable law, specifically regarding the regulation of the remuneration of listed companies, complies with good governance and transparency criteria and is aligned with shareholders' interests.

Specifically, the Board of Directors considers that the proposed remuneration structure has an adequate proportion and promotes the profitability and sustainability in the in the long term of the Company, and includes the necessary precautions for avoiding the excessive assumption of risks and the remuneration for unfavourable results, ensuring



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the alignment of the directors' interests with the interests of the Company and its shareholders, without compromising the independence of the directors.

Madrid, March 18, 2021



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



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Remunerations Policy for the members of the Board of Directors

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1. BACKGROUND AND SCOPE OF THE REMUNERATIONS POLICY

This document reflects the Remunerations Policy for the members of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (“**Lar España**” or the “**Company**”) in compliance with the statutory requirements included in the consolidated text of the Spanish Companies Act (the “**Remunerations Policy**”).

The Remunerations Policy has been prepared by the Company taking into account the significance of the Company, its economic situation, its condition as a Listed Real Estate Investment Company (SOCIMI), the market standards for other Spanish SOCIMIS and Real Estate Investment Trusts (REITs) from the rest of Europe and the particular dedication of the directors of the Company. The Company has also, of course, taken into account the current context marked by the crisis generated by the Covid-19 pandemic.

At the beginning of this process, the Company was advised by Willis Towers Watson to carry out a comparative analysis of the remuneration applicable in comparable companies and sectors. However, in view of the situation generated as a result of the pandemic, the Company has considered it appropriate to submit to the approval of the Board a remuneration policy that is contained and continues with the previous policy, without making any material changes thereto.

The remuneration defined below maintains an adequate proportion and promotes the Company’s long-term profitability and sustainability. The Remunerations Policy also incorporates the necessary safeguards to avoid excessive risk-taking or rewarding unfavorable results, and to align the interest of the directors with those of the Company and its shareholders without compromising the independence of the directors.

2. OBJECTIVES OF THE REMUNERATIONS POLICY

The Remunerations Policy is intended to define and control the remuneration practices of the Company’s directors to contribute to the creation of value for the shareholders of the Company in a sustainable manner in the long term.

Consequently, the Remunerations Policy seeks to establish an adequate remuneration scheme linked to the dedication and responsibilities assumed by the directors, and shall be applied to attract, retain and motivate the directors of Lar España with the objective of ensuring that the Company has the adequate professional that contribute to the achievement of the Company’s strategic objectives.

3. GOVERNING PRINCIPLES AND CRITERIA OF THE REMUNERATIONS POLICY

In order to develop a good corporate governance framework, Lar España has considered appropriate to establish clear corporate governance principles to ensure that the remuneration strategy approved by the Board of Directors is implemented in accordance with the Company's strategy, based on the principles of competitiveness and fairness.

In this respect, the remuneration of directors who receive remuneration for the performance of their duties shall be governed by the following principles:

3.1. Independent judgment

Remuneration shall be structured so that the independent judgment of the directors is not compromised, with a special focus on the remuneration granted to non-executive directors.

3.2. Attraction and retention of the best professionals

The remunerations granted by the Company will be competitive in order to attract and retain talent that contributes to the creation of value for the shareholders of the Company and the achievement of the Company's strategic objectives.

3.3. Long-term sustainability

Remuneration shall be compatible with the Company's long-term business interests and strategy, as well as its values and goals, and shall take into account, if necessary, any adequate precautions to avoid conflicts of interest.

3.4. Transparency

The Remunerations Policy and the specific rules for the determination of the remuneration amounts shall be explicit and disclosed in advance. In particular, the Company will make the Annual Report on Remuneration of Directors available to its shareholders at the moment of the announcement of its ordinary General Shareholders Meeting, which will be submitted for a consultative vote on a separate item of the agenda.

3.5. Simplicity and individualization

The rules governing the management and determination of compensation shall be drafted clearly and concisely.

3.6. Fairness and proportionality of compensation

Remuneration shall be set taking into account the dedication, qualification, experience and responsibilities of each director and the functions and tasks performed by such director.

Also, the remuneration paid by the Company shall maintain a balance between market competitiveness and internal fairness.

3.7. Involvement of the Appointments and Remunerations Committee

The Remunerations Policy has been proposed, on the proposal of the Appointments and Remuneration Committee, by the Board of Directors for its submission to the Ordinary General Shareholders' Meeting of the Company for its approval.

The Appointments and Remunerations Committee will overview the compliance with this Remunerations Policy, carry out periodic reviews and propose its amendments to the Board of Directors for it to, in turn, submit the proposal to the General Shareholders' Meeting for its approval, in accordance with the provisions included in the Company's By-Laws, the Board of Directors' Rules and Regulations and the Committee's own Regulations.

3.8. Approval of the annual global maximum quantity of the directors' remuneration by the General Shareholders' Meeting and delegations in favor of the Board of Directors

Based on the annual maximum amount of the directors' remuneration for their condition as such, approved by the General Shareholders' Meeting, the Board of Directors has the power to determine such amount among its members in accordance with the duties and responsibilities of each director, its assistance and participation in any of the Committees of the Board and other objective circumstances that the Board considers relevant.

4. REMUNERATION OF THE DIRECTORS AS MEMBERS OF THE BOARD

In connection with the remuneration payable to the members of the Board of Directors in their capacity as such, i.e., for the performance of their supervisory and decision-making functions within the Board of Directors and the Committees to which they belong, the objective of the Remunerations Policy is to compensate them adequately and sufficiently for their dedication, qualification and responsibility, without compromising their independent judgment.

In accordance with Article 40 of the By-Laws of the Company, directors are entitled to receive an annual fixed remuneration in considerations for their duties as directors, without prejudice to the fact that, in accordance with the provisions of this Remunerations Policy, the Board of Directors may take into account for these purposes the distinction between proprietary and independent directors. In turn, directors that carry out executive duties, where appropriate, are entitled to receive the compensation provided for in the services

contract entered into with the Company. Additionally, all directors will receive the corresponding compensation for any travel expenses in which they may incur to attend the meeting of the Board and the Committees to which they belong.

The maximum amount payable by the Company as compensation to all of its directors for these items may not exceed the relevant amount determined for this purpose by the General Shareholders' Meeting. The amount thus determined by the General Shareholders' Meeting shall apply unless and until the General Shareholders' Meeting approves other amount in accordance with applicable laws.

However, the determination of the specific amount to be paid to each director for these items within the maximum amount approved by the General Shareholders' Meeting shall be agreed by the Board of Directors in accordance with this Remunerations Policy. For such purpose, the Board shall take into account the office held by each director within the Board itself, as well as the membership and attendance of each director to any Committee.

Finally, the Company shall pay for any premium due for any civil liability insurance policy taken out by the Company in respect of its directors upon customary market terms and commensurate with the circumstances of the Company.

4.1. Maximum amount of annual remuneration for directors

The maximum annual remuneration payable to the members of the Board of Directors in their capacity as such shall amount to EUR 530,000.

This maximum amount does not include: (a) any salary, compensation of any kind or payment that may be carried out under other concepts to the directors in accordance with the Remunerations Policy for their executive duties or for any other concept; (b) the premiums paid for any civil liability insurance by the Company for its directors; and (c) an reimbursement for the expenses incurred by the directors to attend the meeting of the Board or any of its Committees.

4.2. Annual fixed remuneration

The Board of Directors shall establish the criteria in order to determine the remuneration payable to each director, taking into account:

- The category of the Director.
- The office held by the director in the Board of Directors and in any of its Committees.

- The specific functions and responsibilities assumed during the year.
- The experience and knowledge required to carry out those functions.
- The amount of time and dedication required to carry out effectively such functions.
- Any other objective circumstances that may be considered relevant.

Considering the above, it is hereby stated that, for the exception of proprietary directors, which will not receive any compensation (notwithstanding the fact that they are beneficiaries of civil liability insurance), each director of Lar España will receive an annual fixed remuneration of EUR 70,000. The Chairman of the Board will receive, an additional annual remuneration of EUR 55,000 (amounting to a total of EUR 125,000 annually).

Additionally, and except for proprietary directors, members of the Board of Directors that are members of:

- the Audit and Control Committee will receive an additional annual remuneration of EUR 15,000 for participating in the meetings of the Committee. The Chairman of the Audit and Control Committee will receive, an additional remuneration of EUR 7,500 (amounting to a total of EUR 22,500 annually).
- the Appointments and Remunerations Committee will receive an additional annual remuneration of EUR 15,000 for participating in the meetings of the Committee. The Chairman of the Appointments and Remunerations Committee will receive, an additional remuneration of EUR 2,000 (amounting to a total of EUR 17,000 annually).

Those directors, who, appointed by Lar España, participate in any corporate bodies of the subsidiaries that Lar España participates with other partners may perceive an additional fixed remuneration of EUR 15,000 per year and subsidiary.

These amounts are payable on the basis of a full tax year. Where a director sits in the Board for less than a full tax year, the amount payable to such a director shall be prorated accordingly. If the number of members of the Board of Directors were increased within the limits foreseen in the Company's by-laws, the fixed remuneration payable to any additional director shall be determined in accordance with the provisions above.

5. TERMS INCLUDED IN THE EXECUTIVE DIRECTORS' SERVICE AGREEMENTS

In the event that Lar España decides to appoint executive directors, it shall be up to the Board of Directors to set the remuneration payable to them for performance of their executive duties, according to legal requirements and in accordance with the By-Laws of the Company.

This Remunerations Policy would therefore have to be adapted in order to specify the amount of fixed annual remuneration and the change therein during the reporting period; the various parameters used to determine their variable remuneration; and the main terms and conditions of their contracts, specifically including their duration, any severance pay triggered by early termination of the contractual relationship, exclusivity agreements, post-contractual non-compete clauses and any retainers.

6. OTHER REMUNERATION PAID TO THE DIRECTORS FOR SERVICES NOT INCLUDED IN THEIR DUTIES AS DIRECTORS

Directors may receive an additional remuneration in cash, shares or options over shares of the Company if the Board of Directors, following a report issued by the Appointments and Remunerations Committee, considers that it is in the best interest of the Company to incentivize and reward a director's involvement and worthy performance in certain transactions and, specifically, when the director is involved in the planning, preparation, negotiation or execution of transactions deemed to be relevant or fundamental for the future of the Company. The objectives to be achieved by the beneficiaries of these plans may be complemented with the achievement of other parameters that measure the positive evolution of the Company's business in the long term.

To promote the correct performance of their duties and aligned the long term interests of the directors and those of the shareholders, remunerations for the services rendered to the Company that are different from those corresponding to their condition as directors may be carried out through the granting of shares of the Company. In that case, in accordance with the provisions included in the Spanish Companies Act, the remuneration will required the approval of the Company's General Shareholders' Meeting.

7. GOVERNANCE MATTERS

7.1. Preparation, approval and review of this Remunerations Policy

The Board of Directors, on the proposal of the Appointments and Remuneration Committee, shall submit to the General Shareholders' Meeting a Remunerations Policy proposal at least every three years. This proposal shall be submitted as a separate item of the agenda, which shall be accompanied by a specific report from the Appointments and Remuneration Committee. The report of the Appointments and Remuneration Committee shall be attached to the proposal of the Board of Directors.

The proposed Remunerations Policy submitted by the Board of Directors and the report prepared by the Appointments and Remuneration Committee shall be made available to the shareholders on the Company's website as of the date of the announcement of the General Shareholders' Meeting. Shareholders may also request the delivery or sending, free of charge, of a copy of the referred documents. The announcement shall make a reference to this right.

The Appointments and Remuneration Committee will continuously review this Policy and, specifically, its appropriateness to achieve the objectives included in section 2 of this Policy. Likewise, at the proposal of the Appointments and Remunerations Committee, the Board of Directors may approve to hire an external expert for it to participate in the review process of the Remunerations Policy.

7.2. Supervision and application of the Remunerations Policy

The Board of Directors is responsible for establishing a control and supervision regime in respect of the specific requirements set out in the Remunerations Policy, while the Appointments and Remuneration Committee is responsible for ensuring the compliance of such Policy.

7.3. Term of the Remunerations Policy

This Remunerations Policy shall be in effect for three financial years after its approval by the General Shareholders' Meeting of the Company (financial years 2021, 2022 and 2023). Notwithstanding the above, the General Shareholders' Meeting of Lar España may amend, modify or replace this Remunerations Policy at any time in accordance with the procedure described above.