



NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 227 of Law 6/2023, of March 17, on Securities Markets and Investment Services, 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 24, 2024, at 12:00 on first call, or, if the required quorum is not met, on second call, on April 25, 2024, at the same place and time. It is expected that the Ordinary General Shareholders' Meeting will be held on second call, on April 25, 2024.

For the purposes of the above paragraph, the following documents are attached hereto: complete text of the General Shareholders' Meeting call and agenda, which has been published today in "El Economista" newspaper, as well as the resolution proposals and reports on the items of the agenda that require it.

Madrid, March 22, 2024.

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. 2024 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 24, 2024, at 12:00 on first call, or, if the required quorum is not met, on April 25, 2024, 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 25, 2024, at the indicated place and time, unless shareholders are otherwise informed through announcements published in the same newspaper in which this call is published, on the Company's website (www.larespana.com), as well as through the corresponding other relevant information notice sent to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

AGENDA

I. Annual accounts and management of the Company:

- One.-** Approval, if appropriate, of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for the 2023 financial year.
- 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 the 2023 financial year.
- Three.-** Approval, if appropriate, of the Board of Directors' management and activities during the 2023 financial year.

II. Dividend distribution:

- Four.-** Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for the 2023 financial year.

III. Company's auditor:

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

IV. Board of Directors:

- Six.-** Setting of the number of members of the Board of Directors.



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Seven.- 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

Eight.- Approval, if appropriate, of the new Directors' Remuneration Policy.

VI. General matters:

Nine.- 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.

VII. Consultative vote:

Ten.- Consultative vote regarding the Annual Directors' Remuneration Report for the 2023 financial year.

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 five days before the meeting is to be held 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/ María de Molina 39, 10^a floor, postal code 28006 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 11:59 p.m. on April 23, 2024. The Company, or the entity designated for these purposes by the Company, will send to the shareholder who casts their vote by electronic means an electronic confirmation of receipt of the same.

In accordance with the provisions of article 527 bis of the Spanish Companies Law (*Ley de Sociedades de Capital*), after the holding of the General Shareholders' Meeting and within one month therefrom, any shareholder, or their representative, and the ultimate beneficiary, may request a confirmation of the correct registration and accounting of the votes cast electronically



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corresponding to their shares issued by the Company, unless they already have such information. The Company will send such confirmation within the following 15 days to the presentation of the request or, if such presentation takes place on a later date, to the holding of the General Shareholders' Meeting.

AVAILABLE INFORMATION AND DOCUMENTATION

Until the fifth day prior to the General Shareholders' Meeting, inclusive, shareholders may request in writing the information or clarifications that they deem are required, or ask the written questions they deem relevant, regarding the matters included in the agenda of the call to meeting, the information accessible to the public that has been provided by the Company to the Spanish National Securities Market Commission and the audit reports on the individual annual accounts and management report of the Company and on the annual accounts and management report of the Company consolidated with those of its subsidiaries for financial year 2023.

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 Shareholders' Meeting, her background and professional experience; directorships held in other relevant companies, either listed or not; the directors' class to which she belongs; the date of her first appointment as a Company director; and shares and share options that may be 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 2023 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 2023; (7) the directors' statement of responsibility provided for in article 99 of Law 6/2023, of March 17, on Securities Markets and Investment Services which, together with the documents set forth in the two preceding items, constitute the annual financial report for financial year 2023; (8) the annual corporate governance report for financial year 2023; (9) the annual directors' remuneration report for financial year 2023; (10) the report prepared by the Audit and Control Committee of the Company on its functions during the financial year 2023, the auditor's independence and related-party transactions; (11) the annual report prepared by the Appointments, Remuneration and Sustainability Committee regarding financial year 2023; (12) the Directors' Remuneration Policy if the amendments proposed to the General Shareholders' Meeting are approved; (13) the procedures and requirements for accrediting ownership of the Company's shares and the



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Shareholders' Meeting attendance right, as well as the applicable rules regarding proxy representation; (14) a description of the shareholder's information right; (15) the rules of the Electronic Shareholders' Forum; and (16) information regarding the total number of shares and voting rights on the date of publication of this announcement of call to meeting.

Furthermore, shareholders have the right to examine at the Company's registered office and to request the immediate delivery or shipping without charge (which may be carried out by e-mail, with 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 2023, of the proposed resolutions, the mandatory directors' reports, and of the other documents that must be made available to the shareholders in connection with the holding of this Ordinary General Shareholders' Meeting.

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

Until March 27, 2024, 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).



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PERSONAL DATA PROTECTION

The personal data provided by shareholders to the Company for the exercise of their attendance, delegation or voting rights at the General Shareholders' Meeting or which are provided by the banks and stock agencies and companies in which the shares of the shareholders are deposited, through the entity responsible to keep the register of book entries, shall be processed by the Company, in its capacity as data controller, for the purposes of managing the development, fulfilment and control of the current relationships with shareholders, regarding the convening and holding of the General Shareholders' 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 Shareholders' 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/ María de Molina 39, 10th floor, postal code 28006 Madrid, Spain. Owners of personal data may also file complaints with the competent data protection control authority.

In Madrid, on March 22, 2024

The Secretary of the Board of Directors



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PROPOSED RESOLUTIONS OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. 2024

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 the 2023 financial year.

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 December 31, 2023, which were drawn up by the Board of Directors at its meeting held on February 27, 2024.



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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 the 2023 financial year.

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 2023 financial year, which were drawn up by the Board of Directors at its meeting held on February 27, 2024.



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ITEM THREE ON THE AGENDA

Approval, if appropriate, of the Board of Directors' management and activities during the 2023 financial year.

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 December 31, 2023.

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ITEM FOUR ON THE AGENDA

Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for the 2023 financial year.

RESOLUTION

To approve the proposed allocation of profits and distribution of dividends prepared by the Board of Directors at its meeting held on February 27, 2024, which is described below:

To distribute, with a charge to the results for the financial year ended on December 31, 2023, a gross dividend of EUR 0.7381 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 "record date" is expected to be 25 April 2024). **That is, under the assumption that the Meeting will be held on second call, the last day to purchase shares and be entitled to dividends (Last trading date) would be April 23, 2024** and the first day on which the shares purchased would not be entitled to dividends (*Ex Date*) would be 24 April 2024.

The dividend shall be enforceable and payable 30 days after the date of the decision adopted by the General Shareholders' Meeting (and is expected to be paid on May, 24 2024).

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 2023 of
Lar España Real Estate SOCIMI, S.A.: EUR 68,634 thousand

DISTRIBUTION:

To legal reserve (minimum amount):..... EUR 6,863 thousand
To dividends (maximum amount to distribute corresponding to a fixed dividend of EUR 0.7381 (gross) per share): EUR 61,771 thousand

TOTAL: EUR 68,634 thousand

In addition, a share premium distribution is approved for an amount of EUR 4,396 thousand (0.0525 per share).



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The distribution of the aggregate EUR 66,167 thousand (EUR 0.7906 per share) shall be enforceable and payable 30 days after the date of the resolution adopted by the General Shareholders' 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

Appointment, if appropriate, of the auditor of the Company's accounts.

RESOLUTION

Following a report from the Board of Directors, to appoint as auditor of Lar España Real Estate SOCIMI, S.A.'s individual and consolidated accounts, for the 2024, 2025, and 2026 financial years, Deloitte, S.L., with registered office at Plaza Pablo Ruiz Picasso 1, Torre Picasso, 28020 Madrid, Spain, with tax identification number B-79104469 and registered with the Commercial Registry of Madrid at volume 13,650, section 8, sheet 188, page M-54,414, record 96, 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

Setting of the number of members of the Board of Directors.

GROUNDS FOR THE RESOLUTION

As announced in connection with the call to the 2023 Ordinary General Shareholders' Meeting, the Board of Directors approved, at the end of 2022, a plan for the orderly and staggered renewal of the Board of Directors, which will be implemented by coordinating the principles of representativeness with those of diversity and independence, among others, in order for the Company to comply, in 2024, with the recommendations on gender diversity on the Board contained in the Good Governance Code for Listed Companies ("**GGC**") approved by the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores). To this end, the Board of Directors, as a collegiate body, and each of the directors, individually, undertook to take the necessary steps to ensure that, by 2024, the Company has 40% women on the Board, in accordance with Recommendation 15 of the GGC, without affecting compliance with the other recommendations relating to the structure and composition of the Board of Directors.

To this end, as planned, Mr Alec Emmott (independent Director) has notified the Company of his decision to resign from his position as a director with effect from April 25, 2024, which has been acknowledged by the Board of Directors.

In this scenario, the Appointments, Remunerations and Sustainability Committee (the "**ARSC**") and the Board of Directors have carefully reviewed the composition of the Board, paying particular attention to its skills matrix, in order to guarantee stability in the composition of the Board and its Committees and the suitability of these bodies as a whole, so that they can adequately fulfil the functions and responsibilities attributed to them while complying with Recommendation 15 of the GGC. Thus, both the ARSC and the Board have found that considering the size of the Company and its current management structure, the replacement of Mr Alec Emmott would not be necessary at the present time, since all the powers and abilities necessary or desirable for the management of the Company could be covered in aggregate by the other Directors without undermining the aggregate assessment resulting from the skills matrix of the Board of Directors. Therefore, the ARSC and the Board of Directors have agreed that the best option at this time is to adjust the size of the Board, without prejudice to the option to increase it in the future if deemed appropriate in the light of the circumstances prevailing at any given time.

Following the resignation of Mr Alec Emmott, the Company will comply with Recommendation 15 of the GGC, since the number of female directors represents 40% of the members of the Board of Directors.

In view of Mr Alec Emmott's resignation from his position as member of the Board of Directors, the following resolution is submitted to a vote in order to acknowledge the aforementioned resignation and to set the number of members of the Board of Directors at five.

Likewise, the Board thanks Mr Emmott for his services during these years and his valuable contributions to the Company.

It is proposed:

RESOLUTION

Based on the proposal of the Board of Directors, pursuant to article 7.2 of the Board of Directors' Regulations, and in accordance with the provisions of article 34 of the Company's Bylaws, which provides that the Board of Directors shall consist of a number of members of not less than five nor more than fifteen,



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to set the number of members of the Board of Directors of the Company at five, so that the vacancy on the Board of Directors caused by the resignation of Mr Alec Emmott as a director on April 25, 2024 will be redeemed.



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ITEM SEVEN 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, Remunerations and Sustainability Committee and following a favourable report from the Board of Directors, to re-elect Ms Isabel Aguilera Navarro as a member of the Board, under the category of "independent director", for the statutory period of three years.



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ITEM EIGHT ON THE AGENDA

Approval, if appropriate, of the new Directors' Remuneration Policy.

RESOLUTION

To approve the new remuneration policy for the directors of Lar España Real Estate SOCIMI, S.A., which will be applicable for the remaining 2024 financial year, and for the 2025, 2026 and 2027 financial years, formulated in the terms required by article 529 novodecies of the Spanish Companies Law (*Ley de Sociedades de Capital*) (the "**Remuneration Policy**").

The Remuneration Policy replaces in its entirety the Company's previous remuneration policy approved by the Ordinary General Shareholders' Meeting of April 27, 2022 for the remaining 2022 financial year and for financial years 2023 and 2024.

The Board of Directors has approved to submit to the General Shareholders' Meeting the text attached as an annex to this reasoned proposal, which is derived from the report and the proposal drawn up by the Appointments, Remunerations and Sustainability Committee, respectively—which the Board endorses in all its terms—and by the Board of Directors itself.

The Board considers that the Remuneration Policy proposed for approval is reasonably proportionate to the importance of the Company, is adapted to the Company's economic situation and is in line with market standards of comparable companies and is also compatible with the Company's strategy, objectives, values and long-term interests.



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ITEM NINE 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 Vice-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 TEN ON THE AGENDA

Consultative vote regarding the Annual Directors' Remuneration Report for the 2023 financial year.

RESOLUTION

To approve, on a consultative basis, the Annual Directors' Remuneration Report for the 2023 financial year, 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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Report prepared by the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. in connection with the appointment of the Company and its consolidated Group auditor.



Madrid, 21 March 2024



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Report prepared by the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. in connection with the appointment of the Company and its consolidated Group auditor.

I. INTRODUCTION

The Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (hereinafter, "**Lar España**" or the "**Company**") prepares the following report in accordance with articles 160. b), 225, 226, 263 and 264 of the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 12 July (hereinafter, the "**Capital Companies Act**") and in connection with the appointment of the Company's and of the group of companies of which it is the controlling entity (hereinafter, "**Group**") auditor, to be submitted for approval to the next Ordinary General Shareholders' Meeting to be held on 24 April 2024, at first call, and on 25 April 2024, at second call.

II. REGULATORY FRAMEWORK

As the parent company of the Group, Lar España is required to prepare consolidated accounts and a consolidated management report, in addition to its own accounts and management report.

Likewise, in accordance with the provisions of the Royal Decree of 22 August 1885, publishing the Commercial Code and the Capital Companies Act, Lar España is required to have its individual and consolidated accounts audited by an auditor or audit firm (hereinafter, the "**External Auditor**"), and in compliance with the requirements and formalities established in Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (hereinafter, "**RUE**") and in Law 22/2015, of 20 July, on the Audit of Financial Statements (hereinafter, the "**LAC**") and its implementing regulations, approved by Royal Decree 2/2021, of 12 January.

In this regard, articles 17 RUE and 40 LAC establish the following limits on the duration of audit engagement of public interest entities:

- Minimum length of the initial term of engagement may not be less than 3 years.
- Maximum length of the engagement may not exceed 10 years, including renewed engagements.
- Possibility to extend the maximum length of engagement: the initial 10 years may be extended by a further 10 years (10+10) if a public tendering process inviting bids for legal auditing services is carried out, pursuant to the contents of Article 16, Section 2 to 5 of the RUE.
- Possibility to extend the maximum length of the engagement in case of joint audit: the initial 10 years may be extended by a further 14 years (10+14) if the auditor or auditing firm has been engaged simultaneously with one or more other auditors or auditing firms to act jointly during the additional period.
- At the end of the maximum length (10 or 10+10 or 10+14 years), the External Auditor may not audit the entity until 4 years have elapsed (cooling off period).
- Rotation of principal auditors responsible for auditing work: after 5 years from the initial engagement, with a cooling off period of 3 years.



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On the other hand, in accordance with article 529 quaterdecies.4.d) of the Capital Companies Act, article 42.3.d) of the Articles of Association and article 5 of the Regulations of the Audit and Control Committee of Lar España (hereinafter, the "**Audit and Control Committee**"), the Audit and Control Committee is responsible for defining the auditor selection procedure in accordance with the applicable regulations and for submitting the Board of Directors, for approval by the General Shareholders' Meeting, the proposals for the selection, appointment, re-election and replacement of the External Auditor.

III. SELECTION PROCEDURE

a. Context and basis of the Procedure

Deloitte, S.L. (hereinafter, "**Deloitte**") has been the External Auditor of the Company since its incorporation in 2014, so that in 2023 the maximum 10 years length of the audit engagement provided for in the applicable regulations has been reached, without prejudice to the extensions referred to above.

In this context, the Audit and Control Committee has analysed the different options for the appointment of the Company's External Auditor and has agreed to conduct a public tendering process for the selection of the External Auditor of the accounts for financial years 2024-2026 (hereinafter, the "**Tender**"). The Company's main objective was to ensure a fair and transparent Tender, based on non-discriminatory criteria, which would allow the selection of the audit firm best suited to the needs of the Company and its Group. To this end, the Company has taken external legal advice to ensure strict compliance with applicable regulations.

The Company has an Auditor Selection Policy (hereinafter, the "**Auditor Selection Policy**") which sets out, among others, the principles and criteria to be applied in the evaluation, selection and appointment of the External Auditor to ensure that the selection is made in a fair and impartial manner and that the appointment is awarded to an independent firm with the necessary technical capabilities to carry out its work effectively and responsibly, and in compliance with applicable regulations.

On the basis of the criteria and requirements set out in the Auditor Selection Policy, the Audit and Control Committee approved in November 2023 the Tender specifications (hereinafter, the "**Tender Specifications**"), which specify, among others, the basis for the Tender, the nature and scope of the work, the length of the assignment, information on the Company's activities, the timetable for the Tender, the criteria for the evaluation of bids, the minimum format and content of the bids, the contact persons, if any, the instructions regarding the technological platform (Data Room) supporting the Tender and the procedure for the resolution of queries.

b. Pre-qualification

The Audit and Control Committee undertook a series of pre-qualification activities to identify, through publicly available information (ROAC, transparency reports, ICAC, continuous market and BME Growth reports, etc.), a number of no less than three candidates to be invited to participate in the Tender, in accordance with the provisions of the Auditor Selection Policy.

With regard to the criteria used for the pre-qualification activities, the following were defined as evaluable criteria, which would allow an appropriate level of resources, technical training and

experience to be deduced in relation to the type of company, the sector in which it operates and the size and complexity of the audit to performed:

- Experience in auditing public interest entities.
- Experience in Listed Real Estate Investment Trusts (hereinafter, "**SOCIMI**") with a market capitalisation of more than EUR 100 million.
- Experience in listed companies operating in the real estate sector.

On the basis of these criteria and taking into account the information published by the audit firms in their respective Transparency Reports for the last financial year, the candidates who a priori met the requirements set by the Company were selected.

An analysis was then made on the concurrence of possible incompatibilities in the audit firms, and some of them were excluded for providing the Company or Group companies incompatible services with the auditing of the accounts.

On the other hand, given that one of the main candidates for the provision of audit services expressly included Deloitte, the Company's current External Auditor, the risk that the previous provision of audit services to the Company and the Group could compromise the necessary independence was analysed and ruled out after considering, among others: (i) the declarations of independence submitted by Deloitte with respect to the Company and its directly or indirectly related entities; (ii) the annual appraisals of the Audit and Control Committee stating that, in its opinion, Deloitte's independence has not been compromised during the performance of its services; and (iii) that, if finally selected, the principal auditors responsible for auditing work should, in any case, be rotated as required by the applicable regulations.

c. Process

Once three candidates had been pre-selected, the Company sent them in November 2023 a formal invitation to participate in the Tender and, on the same date, formally launched the Tender by publishing its announcement on the Company's website, all of which was recorded in a notarial deed.

Subsequently, the invited candidates sent a formal acceptance to participate in the Tender and a letter in which they stated that there were no circumstances that might threaten their independence in the event of their appointment as the Company's External Auditors. As no further request to participate in the Tender was received, a copy of the specifications was sent to the aforementioned candidates at the same time and with the same content.

During the Tender, the Corporate and Financial Management of Lar España (hereinafter, the "**Corporate and Financial Management**") was appointed as coordinator/interlocutor with the candidates, and meetings of the same duration were held with their key personnel.

d. Assessment

In January 2024, the three bids from the candidates were received in due time and form and were analysed on the basis of the transparent and non-discriminatory evaluation criteria set out in the Tender Specification. There were no proposals from other candidates. In particular, the criteria applied by Lar España in evaluating the bids submitted by the candidates were:

- The resources and experience of the auditor or auditing firm, especially in the real estate sector and in relation to SOCIMI.
- The auditing firm must have personnel with the necessary skills and abilities and specialist technical systems and/or resources that are able to deal with complex issues and that match the volume and complexity of the Group's business activities, along with specialist personnel with specific know-how in the area of SOCIMI, the International Financial Reporting Standards and International Valuation Standards.
- The independence of the auditing firm or individual auditor that will be signing off the accounts, particularly as regards their personal situation or with regard to their provision to Lar España and its Group of any services other than auditing, pursuant to the regulations governing the auditing of accounts, along with any other circumstance arising from the rules governing independence to which they are subject.
- The extent of geographical cover provided by the network to which the auditor or auditing firm belongs, commensurate with the diversification of Lar España and its Group.
- The quality and efficiency of the services, for which the Audit and Control Committee will take account of information on the results of the inspections carried out on various auditors or auditing firms, where applicable, by the Spanish Accounting and Auditing Institute or other competent regulatory bodies, along with strict compliance with any other condition or requirement that the applicable regulations establish from time to time.
- The proposed professional fees and the quality/price ratio.
- The number of hours expected to be worked by partners/senior associates.
- The information security management system implemented as part of the auditing process.
- The proposed added value.

In accordance with the provisions of the Auditor Selection Policy and the Tender Specifications, the bids submitted by the candidates were analysed by the Corporate and Financial Management, which requested any clarification or additional information it deemed necessary and prepared an evaluation report on the candidates with its proposal and two alternatives to be submitted to the Audit and Control Committee.

Likewise, the Company's Internal Auditing Department (hereinafter, the "**Internal Audit Department**"), in its role of assisting the Audit and Compliance Committee, verified compliance with the formalities of the Tender and the evaluation report prepared by the Corporate and Financial Management, and did not detect any incident in this respect.

On the basis of the aforementioned evaluation report and the conclusions of the Internal Audit Management, the Audit and Compliance Committee issued a recommendation report on the appointment of the External Auditor of Lar España for the next financial years 2024-2026, which included the Committee's proposal and two alternatives, with the appointment of Deloitte being the Committee's preference, given the good results obtained in application of Tenders' evaluation criteria, the proven quality of the services provided to the Company and its Group in recent years, both in auditing and in other areas.

IV. PROPOSED RESOLUTION

Taking into account the reports issued by the Audit and Control Committee and the Corporate and Financial Management, as well as the conclusions of the Internal Auditing Department, the



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

Board of Directors of the Company has discussed and agreed to propose to the next Ordinary General Shareholders' Meeting to be held on 24 April 2024, at first call, and on 25 April 2024, at second call, the appointment of Deloitte as External Auditor of the Company and its Group for the financial years 2024, 2025 and 2026.

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

" Following a report from the Board of Directors, to appoint as auditor of Lar España Real Estate SOCIMI, S.A.'s individual and consolidated accounts, for the 2024, 2025, and 2026 financial years, Deloitte, S.L., with registered office at Plaza Pablo Ruiz Picasso 1, Torre Picasso, 28020 Madrid, Spain, with tax identification number B-79104469 and registered with the Commercial Registry of Madrid at volume 13,650, section 8, sheet 188, page M-54,414, record 96, 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".

Madrid, 21 March 2024

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 AN EXTERNAL INDEPENDENT DIRECTOR OF THE COMPANY INCLUDED UNDER ITEM SEVEN OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD ON APRIL 24 OR 25, 2024, ON FIRST AND SECOND CALL, RESPECTIVELY.

1. INTRODUCTION

This explanatory report is prepared 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 revised 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 its purpose is to justify the proposed re-election of Ms Isabel Aguilera Navarro as an independent director of the Company.

Pursuant to paragraph 4 of the aforementioned article, the Appointments, Remunerations and Sustainability Committee is responsible for proposing the appointment or re-election of independent directors. This proposal must be accompanied by a report from the Board of Directors justifying the appointment or re-election, assessing the competence, experience and merits of the person whose appointment or re-election is proposed to the General Shareholders' Meeting.

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 view of the foregoing, and in view of the forthcoming expiry of the term of office of Ms Isabel Aguilera Navarro, the purpose of this report is to assess her competence, experience and merits, all in view of the proposal of the Appointments, Remunerations and Sustainability Committee to re-elect Ms Isabel Aguilera Navarro as a director of the Company. The aforementioned proposal of the Appointments, Remunerations and Sustainability Committee is attached as **Annex** to this report.

By way of introduction to this report, it should be noted that at the end of 2022, the full Board unanimously agreed to implement a **plan for the orderly and staggered renewal of the Board**, which in the short term, specifically through the General Meetings of 2023 and 2024, will enable full compliance with the 40% quota of women on the Board established by Recommendation 15 of the Good Governance Code of Listed Companies ("**GGC**"), without affecting

compliance with the other recommendations relating to the structure and composition of the Board of Directors. In particular, for such purposes, Mr Alec Emmott has notified the Company of his decision to resign from his position as director with effect from April 25, 2024, which has been acknowledged by the Board of Directors, facilitating the staggered renewal of the Board, but guaranteeing at all times stability in the composition of the Board of Directors and its Committees, in order to preserve the experience and knowledge of each corporate body as a whole. The re-election of Ms Isabel Aguilera Navarro also contributes to compliance with Recommendation 15 of the GGC.

2. CANDIDATE ASSESSMENT

The Board's assessment of the competence, experience and merits of Ms Isabel Aguilera Navarro and her suitability to perform her duties as an independent director of the Company, in view of the reasoned proposal issued by the Appointments, Remunerations and Sustainability Committee of the Company at its meeting of March 21, 2024, is set out below.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on the identity, CV and category to which Ms Isabel Aguilera Navarro belongs. It also includes an assessment of the quality of her work and dedication during her previous term of office and of whether she meets the suitability requirements to perform the duties of a director of the Company.

a. Professional and biographical profile

Ms Isabel Aguilera Navarro has developed her professional career in various companies in different sectors and has been President for Spain and Portugal of General Electric, General Manager in Spain and Portugal of Google, Chief Operating Officer of NH Hoteles Group, and Managing Director for Spain, Italy and Portugal of Dell Computer Corporation. She has also been a member of the Board of Directors of several companies such as Indra Sistemas, Banco Mare Nostrum, Aegon España, Laureate Inc, Grupo Egasa, HPS (Hightech Payment Systems) or Banca Farmafactoring. Ms Isabel Aguilera is currently a director of the listed companies Grupo Cemex, Oryzon Genomics, Clínica Baviera, as well as Making Science, listed on the BME Growth segment of BME MTF Equity.

Ms Isabel Aguilera Navarro holds a degree in Architecture and Urban Planning from the Escuela Técnica Superior de Arquitectura de Sevilla, has completed the Master in Commercial and Marketing Management at IE, the General Management Programme at IESE, the Programme for Senior Management of Leading Companies and Institutions at Instituto San Telmo and the ESG Programme for Directors at ESADE. She is currently an Associate Professor at ESADE, a strategy and innovation consultant and is also a director of the unlisted company Canal de Isabel II.

b. Membership of other Boards of Directors of listed companies

Ms Isabel Aguilera Navarro is currently a member of the Board of Directors of the following companies listed on regulated markets other than Lar España:

- Cemex, S.A.B.

- Oryzon Genomics, S.A.
- Clínica Baviera, S.A.

Consequently, Ms Isabel Aguilera Navarro complies with the limit established in article 19.4 of the Board of Directors' Regulations, by virtue of which the Company's directors may sit on up to a maximum of four Boards of Directors of other companies listed on regulated markets (other than the Company) in Spain or abroad.

In any case, in this regard, it should be noted that Ms Isabel Aguilera Navarro has formally notified her decision not to extend her mandate in Clínica Baviera, S.A., once it expires during this fiscal year. This notice reflects her commitment to the Company's Board of Directors and the other Boards of which she is a member, being Ms Isabel Aguilera Navarro in the best position to bring her experience and knowledge to the Company, improving the efficiency and effectiveness of its governance processes, and upholding the highest standards of corporate governance, while taking advantage of the synergies associated with belonging to various Boards of Directors.

In line with the provisions of the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on February 27, 2024, Ms Isabel Aguilera Navarro does not carry out any additional remunerated activities other than those indicated above and her functions as Associate Professor at ESADE and strategy and innovation consultant.

c. Quality of her work and involvement

Ms Isabel Aguilera Navarro was appointed director of the Company and member of the Audit and Control Committee on May 29, 2017, by the Board of Directors of the Company through the co-optation system. On April 19, 2018, the Ordinary General Shareholders' Meeting of the Company ratified her appointment as director and re-elected her for the statutory term of three years. On April 22, 2021, the Ordinary General Shareholders' Meeting of the Company re-elected her again for the statutory term of three years. Ms Isabel Aguilera Navarro is currently a director of the Company, and member and Chairperson, since October 2022, of its Audit and Control Committee.

The Board of Directors has analysed the duties performed by the director and her dedication during the previous term of office and considers that she has performed her duties with the loyalty of a faithful representative, acting in good faith, in the best interests of the Company and under the principle of personal responsibility, with freedom of judgement and independence with respect to third party instructions and ties. In particular, the Board of Directors highly values the commitment, diligence and professionalism of Ms Isabel Aguilera Navarro in the performance of her duties as director and her contribution and input to the activities and meetings of the Board of Directors and the Audit and Control Committee, which she chairs.

In order to carry out this analysis, the Board of Directors has taken into account the conclusions reached during the Board evaluation process carried by an independent expert for fiscal years 2021 and 2022. In addition, in the context of the proposed re-election of Ms Isabel Aguilera Navarro as independent director and the resignation of Mr Alec Emmott as independent

director with effect from April 25, 2024, the Appointments, Remunerations and Sustainability Committee has again reviewed the skills matrix, which summarises in a concise manner the skills that the Board of Directors considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each of the directors. The skills matrix was drawn up in December 2020 and has been reviewing periodically, pursuant to the provisions of section 3 of Section Three of Technical Guide 1/2019 of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). In particular, this matrix is reviewed at least once a year at the end of each fiscal year, as well as each time the appointment or re-election of a director is considered.

Taking into consideration the aforementioned external and internal evaluation processes of the Board, as well as the review and update of the skills matrix, it was firstly concluded, among other issues, that the Board of Directors was in line with best corporate governance practices, as it was a balanced and well-cohesive Board with all the skills necessary for the best management of the Company, meeting very high standards of good governance, with the unanimous positive perception of all directors with respect to the other directors and the performance of their duties.

Secondly, and in such context, the professional and biographical profile of Ms Isabel Aguilera Navarro was assessed, as well as her performance, participation and contribution to the Company, together with the profiles and capacities of the Board as a whole. After analysing the rest of her occupations and her independence, it was concluded that Ms Isabel Aguilera Navarro has the appropriate competence, experience and merits to perform her duties as a director of the Company under the legally established terms. Taking into account the contents of the skills matrix as revised and updated, it is concluded that Ms Isabel Aguilera Navarro is fully qualified for the position for which she is again proposed, as she is an expert, among others, in the matters indicated in the matrix attached to the proposal of the Appointments, Remunerations and Sustainability Committee, all of them competencies that the Company considers essential for its proper functioning and for the adequate performance of the Board as a collegiate administrative body.

Furthermore, the Board of Directors appreciates the extensive professional track-record of Ms Isabel Aguilera Navarro and considers that she has the knowledge and experience necessary for the proper performance of her duties as a director of the Company and as a member and Chair of the Audit and Control Committee.

In addition, the Board of Directors considers that the director has devoted the necessary time to perform her duties effectively and that she has sufficient time available for the proper performance of her duties, especially in view of her attendance at the numerous meetings convened and the degree of fulfilment of all her tasks, her contributions and work being of great value, especially as Chair of the Audit and Control Committee of the Company.

As stated in the Company's 2023 Annual Corporate Governance Report, Ms Isabel Aguilera Navarro has personally attended the 10 meetings the Audit Committee has held during this year (100%) and 12 out of the 13 meetings the Board has held (92.31%), having delegated her representation at the meeting she did not attend, with precise voting instructions, to the Chairman. Ms Isabel Aguilera Navarro has also expressed her total availability to attend the

meetings of the Company's Appointments, Remuneration and Sustainability Committee to which she may be summoned in order to facilitate coordination between both committees in matters of sustainability, as she has also done in the case of meetings with external and internal auditors and the Company's internal team.

d. Voting rights in the Company

According to the information that has been communicated to the Company, Ms Isabel Aguilera Navarro holds 2,620 shares in the Company.

e. Director's Category

Ms Isabel Aguilera Navarro will not represent any shareholder on the Board of Directors nor will she have executive functions. Likewise, the Board has verified that the candidate meets the requirements to be considered as an independent external director in accordance with the provisions of the applicable regulations.

3. FAVOURABLE REPORT

In view of the foregoing, the Board of Directors fully endorses the proposal of the Appointments, Remunerations and Sustainability Committee and reports favourably on the re-election of Ms Isabel Aguilera Navarro as director of the Company, with the category of independent director, for the statutory term of three years, in the conviction that the director will provide continuity to the management of the Company and the group carried out to date.

The full text of the proposed resolution submitted to the Ordinary General Meeting is as follows:

"Based on the proposal of the Appointments, Remunerations and Sustainability Committee and following a favourable report from the Board of Directors, to re-elect Ms Isabel Aguilera Navarro as a member of the Board, under the category of "independent director", for the statutory period of three years."

In Madrid, March 21, 2024

ANNEX

PROPOSAL OF THE APPOINTMENTS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE TO THE BOARD OF DIRECTORS FOR THE RE-ELECTION OF MS ISABEL AGUILERA NAVARRO AS INDEPENDENT EXTERNAL DIRECTOR OF THE COMPANY

1. INTRODUCTION

Pursuant to 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 Appointments, Remunerations and Sustainability Committee of the Company formulates this proposal for the re-election of Ms Isabel Aguilera Navarro as independent director of the Company for the statutory term of three years for submission to the next ordinary General Shareholders' Meeting of the Company.

By way of introduction to this proposal, it should be noted that the Committee has given special importance to compliance with Recommendation 15 of the Good Governance Code for Listed Companies ("**GGC**") approved by the National Securities Market Commission, and has been working together with the Board of Directors to achieve this result. For that reason, at the end of 2022, the Committee proposed to the Board, and the Board approved, the implementation of a **plan for the orderly and staggered renewal of the Board** that would allow full compliance by 2024 with Recommendation 15 of the GGC, regarding reaching a percentage of female directors representing at least 40% of the Board members, without affecting compliance with the other recommendations related to the structure and composition of the Board of Directors. In particular, for this purpose, Mr Alec Emmott has notified the Company of his decision to resign from his position as director with effect from April 25, 2024, which has been acknowledged by the Board of Directors. This is in order to facilitate the staggered renewal of the Board, while guaranteeing stability at all times in the composition of the Board of Directors and its Committees, in order to preserve the experience and knowledge of each corporate body as a whole. The re-election of Ms Isabel Aguilera Navarro also contributes to compliance with Recommendation 15 of the GGC.

2. JUSTIFICATION FOR THE PROPOSAL

On the occasion of the forthcoming expiry of Ms Isabel Aguilera Navarro's term of office, the Appointments, Remunerations and Sustainability Committee has analysed the current composition of the Board of Directors and has reviewed the skills, knowledge and experience of its current members in order to identify the needs of the Board and to specify the functions and

aptitudes that candidates must have in order to perform their duties effectively.

Likewise, the Appointments, Remunerations and Sustainability Committee has assessed the professional and biographical profile of Ms Isabel Aguilera Navarro and has evaluated her performance as a member of the Board of Directors of the Company and as member and Chair of the Audit and Control Committee.

Ms Isabel Aguilera Navarro has developed her professional career in various companies in different sectors and has been President for Spain and Portugal of General Electric, General Manager in Spain and Portugal of Google, Chief Operating Officer of NH Hoteles Group, and Managing Director for Spain, Italy and Portugal of Dell Computer Corporation. She has also been a member of the Board of Directors of several companies such as Indra Sistemas, Banco Mare Nostrum, Aegon España, Laureate Inc, Grupo Egasa, HPS (Hightech Payment Systems) or Banca Farmafactoring. Ms Isabel Aguilera is currently a director of the listed companies Grupo Cemex, Oryzon Genomics and Clínica Baviera, as well as Making Science. listed on the BME Growth segment of BME MTF Equity.

Ms Isabel Aguilera Navarro holds a degree in Architecture and Urban Planning from the Escuela Técnica Superior de Arquitectura de Sevilla, has completed the Master's Degree in Commercial and Marketing Management at IE, the General Management Programme at IESE, the Programme for Senior Management of Leading Companies and Institutions at Instituto San Telmo and the ESG Programme for Directors at ESADE. She is currently an Associate Professor at ESADE, a strategy and innovation consultant and is also a director of the unlisted company Canal de Isabel II.

In any case, regarding the companies in which she is a director, it should be noted that Ms Isabel Aguilera Navarro has formally notified her decision not to extend her mandate in Clínica Baviera, S.A., once it expires during this fiscal year. This notice reflects her commitment to the Company's Board of Directors and the other Boards of which she is a member, being Ms Isabel Aguilera Navarro in the best position to bring her experience and knowledge to the Company, improving the efficiency and effectiveness of its governance processes, and upholding the highest standards of corporate governance, while taking advantage of the synergies associated with belonging to various Boards of Directors.

In line with the provisions stated in the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on February 27, 2024, Ms Isabel Aguilera Navarro does not perform any additional remunerated activity, other than those mentioned above and her work as Associate Professor at ESADE and strategy and innovation consultant.

As regards the quality of her work, the Appointments, Remunerations and Sustainability Committee considers that Ms Isabel Aguilera Navarro has performed her duties with the loyalty of a faithful representative, acting in good faith, in the best interests of the Company and under the principle of personal responsibility, with freedom of judgement and independence with respect to third party instructions and ties. In particular, the Committee highly appreciates the commitment, diligence and professionalism of the director in the performance of her duties as a member of the Board of Directors and as member and Chair of the Audit and Control Committee,

as well as her contributions and inputs to the activities and meetings of the Board of Directors and the aforementioned committee.

For this purpose, the Commission has taken into account the conclusions reached during the Board's evaluation process carried out by an independent expert for fiscal years 2021 and 2022. In addition, in the context of the proposed re-election of Ms Isabel Aguilera Navarro as independent director and the resignation of Mr Alec Emmott as independent director with effect from April 25, 2024, the Appointments, Remunerations and Sustainability Committee has again reviewed the skills matrix, which summarises in a concise manner the skills that the Board of Directors considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each of the directors. The skills matrix was drawn up in December 2020 and has been reviewing periodically, pursuant to the provisions of section 3 of Section Three of Technical Guide 1/2019 of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). In particular, this matrix, attached as **Annex** to this proposal, is reviewed at least once a year at the end of each fiscal year, as well as each time the appointment or re-election of a director is considered.

Taking into consideration the aforementioned external and internal evaluation processes of the Board, as well as the review and update of the skills matrix, it was firstly concluded, among other issues, that the Board of Directors was in line with best corporate governance practices, as it was a balanced and well-cohesive Board with all the skills necessary for the best management of the Company, meeting very high standards of good governance, with the unanimous positive perception of all directors with respect to the other directors and the performance of their duties.

Secondly, and in this context, the Committee assessed the professional and biographical profile of Ms Isabel Aguilera Navarro and her performance, together with that of the profiles and capacities of the Board as a whole. Specifically, the Committee has carefully studied her participation and contribution to the Company, as well as her positions in the other companies in which she is a director (in no case executive). It has noted her attendance at the numerous meetings called and the fulfilment of all her duties, her contributions and work being of great value, especially as Chair of the Audit and Control Committee of the Company. After analysing the rest of her occupations and her independence, it concluded that Ms Isabel Aguilera Navarro has the appropriate competence, experience and merits to perform her duties as a director of the Company under the legally established terms. Taking into account the skills matrix attached as an Annex and as she is an expert in the matters listed therein, the Committee considers that Ms Isabel Aguilera Navarro is fully qualified for the post for which she is again proposed, since the Company considers these skills to be essential for its proper functioning and for the adequate performance of the Board as a collegiate administrative body.

In addition, the Committee appreciates the extensive professional track-record of Ms Isabel Aguilera Navarro and considers that she has the knowledge and experience necessary for the proper performance of her duties as a director of the Company and as a member and Chair of the Audit and Control Committee.

On the other hand, the Appointments, Remunerations and Sustainability Committee has analysed the other occupations of Ms Isabel Aguilera Navarro. Taking into consideration that Ms

Isabel Aguilera Navarro is currently a member of the Board of three companies listed on regulated markets different from Lar España —namely Cemex, S.A.B., Oryzon Genomics, S.A., Clínica Baviera, S.A. (and without prejudice to her decision not to extend its mandate in the latter, as described above)—, the dedication requirements of which in most cases are less than in the case of the Company, the Committee considers that the director complies with the limit established in article 19.4 of the Board of Directors' Regulations and that she has sufficient availability to reconcile these occupations in accordance with the provisions of the Code of Good Corporate Governance and Technical Guide 1/2019 of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

In particular, the Committee considers that the director has devoted the necessary time to perform her duties effectively and that she has sufficient time available for the proper performance of her functions, especially in view of her attendance at the numerous meetings convened and the degree of fulfilment of all her tasks, her contributions and work being of great value, especially as Chair of the Audit and Control Committee of the Company. As stated in the Company's 2023 Annual Corporate Governance Report, this is supported by her attendance ratios: (i) 92.3% (12 out of the 13 meetings called) in the case of the Board of Directors (having delegated her representation at the meeting she did not attend, with precise voting instructions, to the Chairman); and (ii) 100% (10 out of the 10 meetings called) in the case of the Audit and Control Committee of the Company. Ms Isabel Aguilera Navarro has also expressed her full availability to attend the meetings of the Company's Appointments and Remunerations Committee to which she may be summoned in order to facilitate coordination between the two committees on sustainability matters, as she has also done in the case of meetings with external and internal auditors and the Company's internal team.

The Committee has also assessed the independence of the director and considers that she is not in any situation that would prevent her from performing her duties as an independent director of the Company.

3. DRAFT RESOLUTION

In view of the foregoing, the Appointments, Remunerations and Sustainability Committee considers that Ms Isabel Aguilera Navarro has the appropriate competence, experience and merits to perform her duties as a director of the Company under the terms established by law and, consequently, submits to the Board of Directors the proposal to re-elect Ms Isabel Aguilera Navarro as a director of the Company, with the category of independent director, for the statutory term of three years.

The full text of the draft agreement is as follows:

"Based on the proposal of the Appointments, Remunerations and Sustainability Committee and following a favourable report from the Board of Directors, to re-elect Ms Isabel Aguilera Navarro as a member of the Board, under the category of "independent director", for the statutory period of three years."



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

ANNEX

SKILLS MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	Jose Luis del Valle	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Offices/ Committes	Non-Executive Chairman / Member of the ACC*.	Member / President ARSC**	Member / ACC* Chairman	Member / Member ACC*/ ARSC** Member	Member / ARSC** Member
Category	Independent	Independent	Independent	Independent	Proprietary
Gender (Women 40%)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Nationality Spanish (80%) British (20%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Length of service on the board (First appointment)	02/05/2014	02/05/2014	05/29/2017	10/16/2018	02/05/2014
< 5 years (20%)				<input checked="" type="checkbox"/>	
6-9 years (80%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
10-12 years (0%)					
> 12 years (0%)					
Engineering	<input checked="" type="checkbox"/>				
Real Estate		<input checked="" type="checkbox"/>			
Architecture and Urban Planning			<input checked="" type="checkbox"/>		
Economics and Business Studies				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal / fiscal					<input checked="" type="checkbox"/>
General Management Programmes/ Senior Management/ MBA / Specialisation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sectorial:		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Real Estate / Retail /Valuations					
Technical sector:	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Architecture / Urban Planning / Engineering			<input checked="" type="checkbox"/>		
IT / Digital / Cybersecurity			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Finance	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Audit / Accounting / Internal control /Risk management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
International market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sustainability		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Other quoted advice	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Investor knowledge / Other stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team and talent management / Remuneration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Functions of Chief Executive Officer / CEO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*Audit and Control Committee (AC: Audit and Control Committee)

**ARSC: Appointments, Remunerations and Sustainability Committee

MOTIVATED PROPOSAL BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE APPROVAL OF THE REMUNERATIONS POLICY OF THE COMPANY, SET OUT IN ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 24 AND 25, 2024, 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 the report from the Appointments, Remuneration and Sustainability Committee, prepared and approved this reasoned proposal for a new Remunerations Policy of the Company for the remainder of financial year 2024, and for the following three financial years (financial years 2025, 2026 and 2027 (the "**Remunerations Policy**"), which will be submitted for approval at the Ordinary General Shareholders' Meeting that will possibly take place on April 25, 2024, on second call.

In the event of approval by the General Shareholders' Meeting of Lar España, this new Remunerations Policy will be applicable as from the date of approval and will substitute and replace the previous one 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. In this regard, 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 remuneration that payable to executive directors.

With regard to the directors on their condition as such (non-executive directors), the Remunerations Policy must determine at least the maximum 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 at least their annual fixed remuneration.

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 unfavorable 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, Remunerations and Sustainability Committee.

3. PRINCIPAL CHANGES TO THE REMUNERATIONS POLICY

The purpose of drawing up a new Remunerations Policy is to update the remuneration of the members of the Board of Directors in their condition as such and of the members of the Board who hold the position of Chairman of the Board Committees, in accordance with the current circumstances of the Company and the market.

In this context, as stated in the report prepared by the Appointments, Remuneration and Sustainability Committee of the Company, an increase in the remuneration of the members of the Board of Directors in their condition as such is contemplated which, in total, amounts to 35,500 euros (sum of the proposed increase of 5,000 euros in the remuneration to be received by each member of the Board of Directors in their condition as such, as well as the increase of an additional 5,000 euros in the remuneration for holding the position of Chairman of the Audit and Control Committee and an additional 5,500 euros in the remuneration for holding the position of Chairman of the Appointments, Remuneration and Sustainability Committee). This increase, which represents only a 6.5% increase in the annual remuneration received by the members of the Board of Directors, is justified for the following reasons:

- (i) The guiding principles and criteria established in section 3 of the Remuneration Policy and, in particular, the following: (i) attracting and retaining the best professionals, so that remuneration is competitive in order to attract and retain talent that contributes to the creation of value for the Company's shareholders and to the achievement of its strategic objectives; and (ii) fairness and proportionality in remuneration, taking into account the dedication, qualification, experience and responsibilities of each director and the functions and tasks performed by such director.
- (ii) Within the framework of its competencies, the Appointments, Remuneration and Sustainability Committee has assessed qualitative issues such as the degree of dedication, experience, knowledge or criticality at relevant times, also taking into account the

particularities of the Company, given that there are no members of the Board of Directors who hold the category of executive directors.

- (iii) The Committee has also assessed the level of dedication of the members of the Board of Directors, which exceeds that of other companies analyzed. This is due, among other reasons, to the fact that the Company is externally managed, having only a reduced number of managers/employees and that, as mentioned above, there are no directors who hold the category of executives. Furthermore, as reflected in the Company's Annual Corporate Governance Report, the Board of Directors of Lar España and its Committees are very active, with the Board having met in 2023 on 13 occasions, the Audit and Control Committee on 10 occasions and the Appointments, Remuneration and Sustainability Committee on 8 occasions without, as provided for in the Remuneration Policy, in accordance with the provisions of the Company's by-laws, the Company contemplating the existence of attendance fees for meetings (but only a fixed annual remuneration regardless of the number of meetings held).
- (iv) On the other hand, the Appointments, Remuneration and Sustainability Committee, in the exercise of its competence to periodically review the remuneration policy, at the end of financial year 2022 and for the financial year 2023/2024, commissioned a study to an independent expert (Willis Towers Watson) in order to analyze, on one hand, the remuneration of the members of the Board of Directors in their condition as such and, on the other hand, the remuneration of the Chairmen of the Board Committees in companies comparable to Lar España. For this purpose, the independent expert analyzed the Annual Corporate Governance Reports, the Annual Reports on Directors' Remuneration, the Directors' Remuneration Policies and the information appearing in the Annual Accounts of companies comparable to the Company, by sector of activity, total assets or stock market capitalization, among other parameters.
- (v) In this regard, in the aforementioned study commissioned by the Company, two different groups of comparable companies at a national level were analyzed, and a benchmarking with the data extracted was also included in the study.

On one hand, the remuneration of listed companies in the same sector and type of activity as Lar España and, on the other hand, the remuneration of listed companies comparable to the Company in terms of size, total assets and market capitalization for the previous financial year (2021).

In this regard, the following conclusions could be drawn from the independent expert's report:

- The number of meetings of the Board of Directors of Lar España and, likewise, of both the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee, is higher than the average of the companies analyzed in the report, having concluded that during the year analyzed Lar España was above the 75% percentile of comparable companies that held the most meetings during the year, both of the Board of Directors and of the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee.

- The remuneration received by the members of the Board of Directors in their condition as such was below the average remuneration received by the directors of companies in the same sector of activity as the Company.

In this regard, according to the study carried out, the average fixed remuneration received by the members of the Board of Directors of companies in the same sector of activity as Lar España was 75,000 euros, while, in the same year analyzed, the members of the Board of Directors of Lar España received 70,000 euros as fixed remuneration for being members of the Board of Directors, remuneration which has not been modified during the financial years 2022 y 2023.

- With regard to the fixed remuneration received by the Chairmen of the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee, this is clearly below the average remuneration received during the year under review by the Chairmen of the Committees of companies comparable to Lar España.

In this regard, the Chairman of the Audit and Control Committee of Lar España received 22,500 euros as fixed remuneration for the office held, while the average fixed remuneration for the position of Chairman of the Audit Committee of the companies analyzed was 25,000 euros. Additionally, the Chairman of the Appointments, Remuneration and Sustainability Committee of Lar España received, as fixed remuneration for the office held, 17,000 euros, while the average fixed remuneration of the rest of the Chairman of the Appointments and Remuneration Committees of the companies taken into consideration was 25,000 euros. Likewise, the aforementioned study establishes that Lar España was in the 25% percentile of comparable companies in remuneration received by the Chairmen of the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee.

- On the other hand, the average remuneration per meeting of the Board of Directors of Lar España was 4,667 euros, based on the total remuneration received and the number of meetings actually held (while the average remuneration of the companies analyzed was 7,727 euros). Likewise, the members of the Company's Audit and Control Committee received an average of 1,250 euros per meeting (the average for the other companies analyzed was 1,688 euros). Lastly, the members of the Appointments, Remuneration and Sustainability Committee received, during the year under analysis (2021), 1,667 euros per meeting (the average per meeting of the Appointments and Remuneration Committees analyzed was 1,750 euros). Consequently, the study concludes that Lar España was in the 25% percentile of comparable companies in terms of average remuneration per Board of Directors meeting.

- (vi) On the other side, the latest annual report on Board remuneration in listed companies published by the CNMV with respect to remuneration for the financial year 2022 presents, in aggregate terms, the main characteristics of the remuneration policies and practices

applied by listed companies, obtained from the information included in the Annual Report on Directors' Remuneration ("IARC") of each company. Among other issues, the report analyzes the evolution of the amounts allocated to the remuneration of directors and describes some of the most common characteristics when defining remuneration policies, as well as the criteria followed by the companies to determine the amounts and the allocation to each director. It also includes a brief analysis of the degree of compliance with the IARC model and is completed with an appendix containing individual data on board member remuneration for listed companies.

In accordance with the provisions of the CNMV report, the average remuneration of an independent director of a listed company that is not part of the IBEX35 is 90,000 euros (the average remuneration of a director of an IBEX35 company is 208,000 euros). On the other hand, the average remuneration for holding the position of Chairman of a Committee of the Board of Directors is 47,000 euros.

Consequently, on one hand, the average remuneration of the Company's Board members in their condition as such (taking into consideration that only independent Board members receive remuneration for the office held) and, on the other hand, the average remuneration for acting as Chairman of the Company's Committees is significantly below the comparable average market remuneration.

- (vii) Finally, the Committee has also taken into account the opinions of the Company's shareholders and other institutional investors received in the framework of its general engagement policies, the recommendations of proxy advisors and, in general, the market, regarding best corporate governance practices by stakeholders.

On the basis of the foregoing, the Board of Directors, endorsing the Report of the Appointments, Remuneration and Sustainability Committee, and taking into account that financial year 2024 is the last year of application of the current remuneration policy, in accordance with the provisions of article 529 novodecies.1 of the Spanish Companies Act, has resolved to propose to the General Shareholders' Meeting the approval of a new Remuneration Policy for the members of the Board of Directors of the Company for the remainder of financial year 2024 and for the following three financial years (financial years 2025, 2026 and 2027).

4. CONTENT OF THE REMUNERATIONS POLICY

The complete text of the proposed Remunerations Policy is attached to this report.

5. IN-FORCE PERIOD

Article 529 novodecies.1 of the Spanish Companies Act, establishes that the proposal for a new Policy must be submitted to the General Shareholders' Meeting prior to the end of the last financial year in which the previous Policy was applied, and the General Shareholders' Meeting may determine that the new Policy shall apply from the same date of approval and for the following three financial years. In this regard, the Policy will be applicable to the Company's directors from the time of its approval for the remainder of financial year 2024 and for the following three financial years 2025, 2026 and 2027).

6. CONCLUSIONS

The Board of Directors of the Company acknowledges and approves the conclusions included in the report issued by the Appointments, Remunerations and Sustainability Committee and considers that the new proposed Remunerations Policy for the remainder of financial year 2024 and the following three financial years (financial years 2025, 2026 and 2027), which fully replaces the one in force during financial years 2022 to 2024, 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 long term of Lar España and includes the necessary precautions for avoiding the excessive assumption of risks and the remuneration for unfavorable results, establishing competitive remunerations, which take into account the qualifications, dedication and responsibility required by the position and ensuring the alignment of the directors' interests with the interests of the Company and its shareholders, without compromising the independence of the directors.

Madrid, 21 March 2024



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

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

**REMUNERATION POLICY FOR MEMBERS OF THE
BOARD OF DIRECTORS OF LAR ESPAÑA REAL
ESTATE SOCIMI, S.A.**



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1. BACKGROUND AND SCOPE OF THE REMUNERATIONS POLICY

This document sets out the Remunerations Policy for the members of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, "**Lar España**" or the "**Company**") in compliance with the statutory requirements included in the consolidated text of the Spanish Companies Act approved by virtue of Royal Legislative Decree 1/2010, of 2nd July (the "**Spanish Companies Act**") (hereinafter, the "**Remunerations Policy**").

The Remuneration Policy approved by the General Meeting of Shareholders of the Company held on 27 April 2022 is applicable until the end of the financial year 2024, and therefore, in accordance with the provisions of article 529 novodecies.1 of the Spanish Companies Act, the Board of Directors of the Company must submit a proposal for a new Remuneration Policy to the General Meeting of Shareholders.

Within this framework, the Board of Directors of the Company has resolved, following a report from the Nomination, Remuneration and Sustainability Committee, to submit for approval by the General Meeting of Shareholders of the Company the new Remuneration Policy which, maintaining the spirit and essential contents of the previous one, updates the remuneration of the members of the Board of Directors and which will be applicable for the remainder of the financial year 2024 and for the following three financial years (financial years 2025, 2026 and 2027).

In this regard, the new Remuneration Policy is consistent with the previous one, complying with its guiding principles and criteria, in particular that remuneration should be competitive, so as to attract and retain talent, and that contributes to the creation of value for the Company's shareholders and to the achievement of its strategic objectives, without incorporating significant changes, although an increase of 5,000 euros per year in the remuneration of each of the members of the Board in their capacity as such is contemplated, as well as an increase of 5,500 euros per year in the additional remuneration of the Chairman of the Appointments, Remuneration and Sustainability Committee and 5,000 euros per year in the additional remuneration of the Chairman of the Audit and Control Committee.

This increase is established taking into account a prior study of the remuneration of companies comparable to the Company, both by sector of activity and by total assets and market capitalization, prepared with the advice of an external expert in the matter. It should also be noted that the remuneration established for the Company's directors has remained unchanged since 2018, except for the remuneration of the Chairman of the Board, which was adjusted in 2022.

In any event, this Remuneration Policy responds to the criteria and principles established in the previous Remuneration Policy, which was approved by a majority at the General Shareholders' Meeting held on 27 April 2022 with the vote in favor of 95,43% of the share capital present and represented and which was drawn up by the Company to reflect the

new features introduced by Law 5/2021, of 12 April, which amended the Spanish Companies Act and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies.

The directors remuneration maintains an adequate proportion and promotes the Company's long-term profitability and sustainability. The Remunerations Policy also incorporates the necessary criteria 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.

In accordance with the provisions of article 529 novodecies.4 of the Spanish Companies Act, the motivated proposal of the new Remunerations Policy is accompanied by a specific report from the Appointments, Remuneration and Sustainability Committee, which will be placed on the Company's website as from the call to the General Shareholders' Meeting at the disposal of the Shareholders, who may also request the delivery or sent of these documents free of charge.

The corporate website shall also contain the date and result of the vote in relation to the Board's approval of the Remunerations Policy from the time of its approval and at least for as long as it is applicable.

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 the Board who have the adequate professional profiles 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 its alignment with 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 is based on the following principles:

3.1. Independent judgment

Remuneration shall be structured so that the independent judgment of the directors is not compromised, especially that of 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.

Lar España, aware of the impact of its business activity, has as a priority to contribute to the long-term sustainability of the Company through its operations and decision-making in an ethical, responsible and sustainable manner, generating a positive impact both for society, with particular attention to the environment, and for investors, obtaining an adequate financial return.

In this regard, Lar España's high degree of commitment to the long-term sustainability of the Company and its Group is reflected in all areas and, among them, in the Company's governance system, having approved for this purpose an action plan which, among other aspects, expressly includes the objective of advancing in the management and transparency of the activity, selection, remuneration and training of the directors.

In turn, in accordance with the aforementioned strategic orientation of sustainable development by the Company and its Group, the remuneration systems for directors do not incorporate measurement elements that encourage the Company to take excessive risks, being limited in this respect to fixed remuneration for membership of the Board of Directors and their Committees.

3.4. Transparency

The Remunerations Policy contains clear and precise principles and specific rules for the determination of directors' remuneration. In line with this, and in accordance with the commitment to full transparency with shareholders and the markets in general, 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. Relation of the Policy with the conditions of remuneration and employment of the Company's employees.

Lar España has established a remuneration system in which offers all its professionals (both directors and employees) a fair level of remuneration appropriate to the market.

In doing so it seeks to retain talent and encourage the motivation of all its professionals as a means of ensuring the long-term sustainability of its businesses. Remuneration is based on the criteria of position, functions and competencies, professional worth and level of responsibility. Based on these criteria, the Group maintains, at all levels, what is considered a fair and reasonable remuneration system.

In this regard, as set out in the Company's Code of Conduct, applicable, among others, to the Company's Board of Directors and to all its employees, Lar España will apply the principles of non-discrimination on grounds of gender, age, culture, religion and race, or any other circumstance, and equal opportunities, giving equal treatment to all those who interact with it and managing its activities on a freely competitive basis. It shall adopt training policies that develop the professional skills, paying special attention to the promotion of measures aimed at equality between men and women and non-discrimination for reasons of gender.

Notwithstanding the small staff structure of the Company, the remuneration conditions of the employees have been taken into account in the preparation of this Policy, being aligned with the Company's long-term sustainability strategy.

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.

In turn, 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 that the members of the Board of Directors as a whole could receive in their capacity as such shall amount to 650.000 euros. For the purpose of this calculation, the sum of the current remuneration items has been taken into account for the purposes of this calculation in the terms indicated below, as well as the possibility that there may be changes within the Board or in the composition of the Committees, thus avoiding the need to modify this Remuneration Policy.

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, for executive duties or for any other concept unrelated to their status as directors; (b) the premiums paid for any civil liability insurance by the Company for its directors; and (c) any 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 position held by the director in the Board of Directors and on 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, who 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 75,000. The Chairman of the Board will receive an additional annual remuneration of EUR 80,000 (amounting to EUR 155,000 annually as a whole).

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 12,500 (amounting EUR 27,500 annually as a whole).
- the Appointments, Remuneration and Sustainability Committee will receive an additional remuneration of 15,000 euros for participating in the meetings of the Committee. The Chairman of the Appointments, Remunerations and Sustainability Committee will receive, an additional remuneration of EUR 7,500 (amounting EUR 22,500 annually as a whole).

Lastly, those members of the Board, who, appointed by Lar España, participate in any corporate bodies of the subsidiaries that Lar España participates together with an external partner may perceive an additional fixed remuneration of EUR 15,000 per year in each subsidiary for their participation in the meetings of the aforementioned management bodies.

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, always respecting the maximum annual amount set forth in section 4.1 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, postcontractual 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, subject to a resolution of the General Shareholders' Meeting and upon proposal of the Appointments, Remuneration and Sustainability Committee, 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, Remunerations and Sustainability 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 require 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, upon the proposal of the Appointments, Remuneration and Sustainability Committee, shall submit to the General Shareholders' Meeting, at least every three years and as a separate item of the agenda, a proposal for a new Remuneration Policy, which shall be accompanied by a specific report from the Appointments, Remuneration and Sustainability Committee. Likewise, in the event that the Company has executive directors, the Board of Directors shall be the competent body, upon the proposal of the Appointments, Remuneration and Sustainability Committee, to determine and approve the terms and conditions of their contracts, within the framework of the Remunerations Policy approved by the General Shareholders' Meeting (articles 249 and 529 octodecies of the Spanish Companies Act), with the executive director abstaining from participating in the deliberation and voting on these resolutions.

The proposed Remunerations Policy submitted by the Board of Directors and the report prepared by the Appointments, Remuneration and Sustainability 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. In this regard, the General Shareholders' Meeting is the competent body to approve, where appropriate, the Remunerations Policy of the Company, and shall also be the responsible body for determining for each financial year the maximum amount of remuneration that the directors shall be entitled to receive. Based on the maximum annual amount set and approved by the General Meeting as remuneration to directors in their capacity as such, the Board shall have the power to determine the remuneration of each director in accordance with the duties and responsibilities attributed, membership and attendance at Board Committees and any other objective circumstances it deems relevant.

In order to avoid potential conflicts of interest at the General Shareholders' Meeting, directors who, following a public request, have been appointed by a shareholder as proxy for the General Shareholders' Meeting, shall refrain from exercising the voting rights corresponding to the shares represented in connection with resolutions relating to the Remunerations Policy, unless they have received voting instructions in this respect.

Any amendment or replacement of this Policy shall also require the prior approval of the General Shareholders' Meeting, without prejudice to the provisions of article 529 novodecies.5 of the Spanish Companies Act, in respect of those remunerations expressly approved by the General Shareholders' Meeting.

The Appointments, Remuneration and Sustainability Committee will continuously review this Policy and, specifically, its appropriateness to achieve the objectives included in section 2 of this Policy. The Appointments, Remuneration and Sustainability Committee of Lar España is only made up of external directors and therefore no executive directors, thus avoiding possible conflicts of interest that could arise in the event that the Company has an executive member on the Board of Directors. Likewise, at the proposal of the Appointments, Remunerations and Sustainability 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, Remuneration and Sustainability Committee is responsible for ensuring the compliance of such Policy.

7.3. Term of the Remunerations Policy

This Remuneration Policy shall be in effect for the remainder of the financial year 2024 and for the following three financial years (financial years 2025, 2026 and 2027). Notwithstanding the foregoing, the General Shareholders' Meeting of Lar España may



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amend, modify or replace this Remuneration Policy at any time in accordance with the procedure set forth in the preceding sections.

REPORT ISSUED BY THE APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED APPROVAL OF THE REMUNERATIONS POLICY OF THE COMPANY, SET OUT IN ITEM EIGHT OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 24 AND 25, 2024, 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**"), establishes 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, Remunerations and Sustainability Committee.

In order to comply with the aforementioned provision, the Appointments, Remunerations and Sustainability Committee of the Board of Directors of Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**"), taking into account that the financial year 2024 is the last financial year of application of the current remuneration policy, in accordance with the provisions of article 529 novodecies of the Spanish Companies Act, has drafted this report on the proposed Remunerations Policy of the Company for the remainder of the financial year 2024 and for the following three financial years (financial years 2025, 2026 y 2027) (the "**Remunerations Policy**"), which will entirely replace the policy applicable, approved for application from 2022 to 2024.

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. In this regard, 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 remuneration that payable to executive directors.

With regard to the directors on their condition as such (non-executive directors), the Remunerations Policy must determine at least the maximum 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 at least their annual fixed remuneration.

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, Remunerations and Sustainability Committee.

3. PRINCIPAL CHANGES TO THE REMUNERATIONS POLICY

The purpose of drawing up a new Remunerations Policy is to update the remuneration of the members of the Board of Directors in their condition as such and of the members of the Board who hold the position of Chairman of the Board Committees, in accordance with the current circumstances of the Company and the market.

In this context, an increase in the remuneration of the members of the Board of Directors is contemplated which, in total, amounts to 35,500 euros (sum of the proposed increase of 5,000 euros in the remuneration to be received by each member of the Board of Directors in their condition as such, as well as the increase of an additional 5,000 euros in the remuneration for holding the position of Chairman of the Audit and Control Committee and an additional 5,500 euros in the remuneration for holding the position of Chairman of the Appointments, Remuneration and Sustainability Committee). This increase, which represents only a 6.5% increase in the annual remuneration received by the members of the Board of Directors, is justified for the following reasons:

- (i) The guiding principles and criteria established in section 3 of the Remuneration Policy and, in particular, the following: (i) attracting and retaining the best professionals, so that remuneration is competitive in order to attract and retain talent that contributes to the creation of value for the Company's shareholders and to the achievement of its strategic objectives; and (ii) fairness and proportionality in remuneration, taking into account the dedication, qualification, experience and responsibilities of each director and the functions and tasks performed by such director.
- (ii) Within the framework of its competencies, the Appointments, Remuneration and Sustainability Committee has assessed qualitative issues such as the degree of dedication,

experience, knowledge or criticality at relevant times, also taking into account the particularities of the Company, given that there are no members of the Board of Directors who hold the category of executive directors.

- (iii) The Committee has also assessed the level of dedication of the members of the Board of Directors, which exceeds that of other companies analyzed. This is due, among other reasons, to the fact that the Company is externally managed, having only a reduced number of managers/employees and that, as mentioned above, there are no directors who hold the category of executives. Furthermore, as reflected in the Company's Annual Corporate Governance Report, the Board of Directors of Lar España and its Committees are very active, with the Board having met in 2023 on 13 occasions, the Audit and Control Committee on 10 occasions and the Appointments, Remuneration and Sustainability Committee on 8 occasions without, as provided for in the Remuneration Policy, in accordance with the provisions of the Company's by-laws, the Company contemplating the existence of attendance fees for meetings (but only a fixed annual remuneration regardless of the number of meetings held).
- (iv) On the other hand, the Appointments, Remuneration and Sustainability Committee, in the exercise of its competence to periodically review the remuneration policy, at the end of financial year 2022 and for the financial year 2023/2024, commissioned a study to an independent expert (Willis Towers Watson) in order to analyze, on one hand, the remuneration of the members of the Board of Directors in their condition as such and, on the other hand, the remuneration of the Chairmen of the Board Committees in companies comparable to Lar España. For this purpose, the independent expert analyzed the Annual Corporate Governance Reports, the Annual Reports on Directors' Remuneration, the Directors' Remuneration Policies and the information appearing in the Annual Accounts of companies comparable to the Company, by sector of activity, total assets or stock market capitalization, among other parameters.
- (v) In this regard, in the aforementioned study commissioned by the Company, two different groups of comparable companies at a national level were analyzed, and a benchmarking with the data extracted was also included in the study.

On one hand, the remuneration of listed companies in the same sector and type of activity as Lar España and, on the other hand, the remuneration of listed companies comparable to the Company in terms of size, total assets and market capitalization for the previous financial year (2021).

In this regard, the following conclusions can be drawn from the independent expert's report:

- The number of meetings of the Board of Directors of Lar España and, likewise, of both the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee, is higher than the average of the companies analyzed in the report, having concluded that during the year analyzed, Lar España was above the 75% percentile of comparable companies that held the most meetings during the year, both of the Board of Directors and of the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee.

- The remuneration received by the members of the Board of Directors in their condition as such was below the average remuneration received by the directors of companies in the same sector of activity as the Company.

In this regard, according to the study carried out, the average fixed remuneration received by the members of the Board of Directors of companies in the same sector of activity as Lar España was 75,000 euros, while, in the same year analyzed, the members of the Board of Directors of Lar España received 70,000 euros as fixed remuneration for being members of the Board of Directors, remuneration which has not been modified during the financial years 2022 and 2023.

- With regard to the fixed remuneration received by the Chairmen of the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee, this is clearly below the average remuneration received during the year under review by the Chairmen of the Committees of companies comparable to Lar España.

In this regard, the Chairman of the Audit and Control Committee of Lar España received 22,500 euros as fixed remuneration for the office held, while the average fixed remuneration for the position of Chairman of the Audit Committee of the companies analyzed was 25,000 euros. Additionally, the Chairman of the Appointments, Remuneration and Sustainability Committee of Lar España received, as fixed remuneration for the office held, 17,000 euros, while the average fixed remuneration of the rest of the Chairman of the Appointments and Remuneration Committees of the companies taken into consideration was 25,000 euros. Likewise, the aforementioned study establishes that Lar España was in the 25% percentile of comparable companies in remuneration received by the Chairmen of the Audit and Control Committee and the Appointments, Remuneration and Sustainability Committee.

- On the other hand, the average remuneration per meeting of the Board of Directors of Lar España was 4,667 euros, based on the total remuneration received and the number of meetings actually held (while the average remuneration of the companies analyzed was 7,727 euros). Likewise, the members of the Company's Audit and Control Committee received an average of 1,250 euros per meeting (the average for the other companies analyzed was 1,688 euros). Lastly, the members of the Appointments, Remuneration and Sustainability Committee received, during the year under analysis (2021), 1,667 euros per meeting (the average per meeting of the Appointments and Remuneration Committees analyzed was 1,750 euros). Consequently, the study concludes that Lar España was in the 25% percentile of comparable companies in terms of average remuneration per Board of Directors meeting.

- (vi) On the other side, the latest annual report on Board remuneration in listed companies published by the CNMV with respect to remuneration for the financial year 2022 presents, in aggregate terms, the main characteristics of the remuneration policies and practices applied by listed companies, obtained from the information included in the Annual Report

on Directors' Remuneration ("IARC") of each company. Among other issues, the report analyzes the evolution of the amounts allocated to the remuneration of directors and describes some of the most common characteristics when defining remuneration policies, as well as the criteria followed by the companies to determine the amounts and the allocation to each director. It also includes a brief analysis of the degree of compliance with the IARC model and is completed with an appendix containing individual data on board member remuneration for listed companies.

In accordance with the provisions of the CNMV report, the average remuneration of an independent director of a listed company that is not part of the IBEX35 is 90,000 euros (the average remuneration of a director of an IBEX35 company is 208,000 euros). On the other hand, the average remuneration for holding the position of Chairman of a Committee of the Board of Directors is 47,000 euros.

Consequently, on one hand, the average remuneration of the Company's Board members in their condition as such (taking into consideration that only independent Board members receive remuneration for the office held) and, on the other hand, the average remuneration for acting as Chairman of the Company's Committees is significantly below the comparable average market remuneration.

- (vii) Finally, the Committee has also taken into account the opinions of the Company's shareholders and other institutional investors received in the framework of its general engagement policies, the recommendations of proxy advisors and, in general, the market, regarding best corporate governance practices by stakeholders.

Based on the foregoing, and taking into account that the financial year 2024 is the last financial year of application of the current remuneration policy, in accordance with the provisions of article 529 novodecies.1 of the Spanish Companies Act, it is necessary to approve a new Remuneration Policy for the members of the Board of Directors of the Company, which will be applicable for the remainder of the financial year 2024 and for the following three financial years (financial years 2025, 2026 and 2027).

In this regard, in the opinion of the Appointments, Remuneration and Sustainability Committee, the remuneration of the directors established in the proposed Remuneration Policy is competitive and takes into account the qualifications, dedication and responsibility required by the position, continuing with the previous policy, updating in the new Remuneration Policy only the amounts of the remuneration of the members of the Board of Directors, in accordance with the current circumstances of the Company and the market, and the analyses and studies that the Committee has been carrying out in the exercise of its functions.

In addition, it maintains an appropriate proportion and promotes the long-term profitability and sustainability of the Company, incorporating the necessary criteria to avoid excessive risk-taking or rewarding unfavorable results and ensuring the alignment of the interests of the directors with those of the Company and its shareholders, without compromising the independence of the directors themselves. In addition, said Policy responds to the criteria and principles established in the previous remuneration policy, which was approved by a majority at the Ordinary General Shareholders' Meeting held on April 27, 2022 with the vote in favor of 95.43% of the share capital present and represented and which was prepared by the Company to

reflect the novelties introduced by Law 5/2021, of April 12, amending the Spanish Companies Act and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies.

4. CONTENT OF THE REMUNERATIONS POLICY

The complete text of the proposed Remunerations Policy is attached to this report.

5. IN-FORCE PERIOD

Article 529 novodecies.1 of the Spanish Companies Act establishes that the proposal for a new Policy must be submitted to the General Shareholders' Meeting prior to the end of the last financial year in which the previous Policy was applied, and the General Shareholders' Meeting may determine that the new Policy shall apply from the same date of approval and for the following three financial years. In this regard, the Policy will be applicable to the Company's directors from the time of its approval for the remainder of financial year 2024 and for the financial years 2025, 2026 and 2027).

6. CONCLUSION

Based on the information included in this report, the Appointments, Remuneration and Sustainability Committee of Lar España considers that the proposed Remunerations Policy for the remainder of financial year 2024 and the following three financial years 2025, 2026 and 2027, which substitutes the policy valid from 2022 to 2024, 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 21, 2024



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

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

**REMUNERATION POLICY FOR MEMBERS OF THE
BOARD OF DIRECTORS OF LAR ESPAÑA REAL
ESTATE SOCIMI, S.A.**



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1. BACKGROUND AND SCOPE OF THE REMUNERATIONS POLICY

This document sets out the Remunerations Policy for the members of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, “**Lar España**” or the “**Company**”) in compliance with the statutory requirements included in the consolidated text of the Spanish Companies Act approved by virtue of Royal Legislative Decree 1/2010, of 2nd July (the “**Spanish Companies Act**”) (hereinafter, the “**Remunerations Policy**”).

The Remuneration Policy approved by the General Meeting of Shareholders of the Company held on 27 April 2022 is applicable until the end of the financial year 2024, and therefore, in accordance with the provisions of article 529 novodecies.1 of the Spanish Companies Act, the Board of Directors of the Company must submit a proposal for a new Remuneration Policy to the General Meeting of Shareholders.

Within this framework, the Board of Directors of the Company has resolved, following a report from the Nomination, Remuneration and Sustainability Committee, to submit for approval by the General Meeting of Shareholders of the Company the new Remuneration Policy which, maintaining the spirit and essential contents of the previous one, updates the remuneration of the members of the Board of Directors and which will be applicable for the remainder of the financial year 2024 and for the following three financial years (financial years 2025, 2026 and 2027).

In this regard, the new Remuneration Policy is consistent with the previous one, complying with its guiding principles and criteria, in particular that remuneration should be competitive, so as to attract and retain talent, and that contributes to the creation of value for the Company's shareholders and to the achievement of its strategic objectives, without incorporating significant changes, although an increase of 5,000 euros per year in the remuneration of each of the members of the Board in their capacity as such is contemplated, as well as an increase of 5,500 euros per year in the additional remuneration of the Chairman of the Appointments, Remuneration and Sustainability Committee and 5,000 euros per year in the additional remuneration of the Chairman of the Audit and Control Committee.

This increase is established taking into account a prior study of the remuneration of companies comparable to the Company, both by sector of activity and by total assets and market capitalization, prepared with the advice of an external expert in the matter. It should also be noted that the remuneration established for the Company's directors has remained unchanged since 2018, except for the remuneration of the Chairman of the Board, which was adjusted in 2022.

In any event, this Remuneration Policy responds to the criteria and principles established in the previous Remuneration Policy, which was approved by a majority at the General Shareholders' Meeting held on 27 April 2022 with the vote in favor of 95,43% of the share capital present and represented and which was drawn up by the Company to reflect the

new features introduced by Law 5/2021, of 12 April, which amended the Spanish Companies Act and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies.

The directors remuneration maintains an adequate proportion and promotes the Company's long-term profitability and sustainability. The Remunerations Policy also incorporates the necessary criteria 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.

In accordance with the provisions of article 529 novodecies.4 of the Spanish Companies Act, the motivated proposal of the new Remunerations Policy is accompanied by a specific report from the Appointments, Remuneration and Sustainability Committee, which will be placed on the Company's website as from the call to the General Shareholders' Meeting at the disposal of the Shareholders, who may also request the delivery or sent of these documents free of charge.

The corporate website shall also contain the date and result of the vote in relation to the Board's approval of the Remunerations Policy from the time of its approval and at least for as long as it is applicable.

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 the Board who have the adequate professional profiles 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 its alignment with 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 is based on the following principles:

3.1. Independent judgment

Remuneration shall be structured so that the independent judgment of the directors is not compromised, especially that of 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.

Lar España, aware of the impact of its business activity, has as a priority to contribute to the long-term sustainability of the Company through its operations and decision-making in an ethical, responsible and sustainable manner, generating a positive impact both for society, with particular attention to the environment, and for investors, obtaining an adequate financial return.

In this regard, Lar España's high degree of commitment to the long-term sustainability of the Company and its Group is reflected in all areas and, among them, in the Company's governance system, having approved for this purpose an action plan which, among other aspects, expressly includes the objective of advancing in the management and transparency of the activity, selection, remuneration and training of the directors.

In turn, in accordance with the aforementioned strategic orientation of sustainable development by the Company and its Group, the remuneration systems for directors do not incorporate measurement elements that encourage the Company to take excessive risks, being limited in this respect to fixed remuneration for membership of the Board of Directors and their Committees.

3.4. Transparency

The Remunerations Policy contains clear and precise principles and specific rules for the determination of directors' remuneration. In line with this, and in accordance with the commitment to full transparency with shareholders and the markets in general, 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. Relation of the Policy with the conditions of remuneration and employment of the Company's employees.

Lar España has established a remuneration system in which offers all its professionals (both directors and employees) a fair level of remuneration appropriate to the market.

In doing so it seeks to retain talent and encourage the motivation of all its professionals as a means of ensuring the long-term sustainability of its businesses. Remuneration is based on the criteria of position, functions and competencies, professional worth and level of responsibility. Based on these criteria, the Group maintains, at all levels, what is considered a fair and reasonable remuneration system.

In this regard, as set out in the Company's Code of Conduct, applicable, among others, to the Company's Board of Directors and to all its employees, Lar España will apply the principles of non-discrimination on grounds of gender, age, culture, religion and race, or any other circumstance, and equal opportunities, giving equal treatment to all those who interact with it and managing its activities on a freely competitive basis. It shall adopt training policies that develop the professional skills, paying special attention to the promotion of measures aimed at equality between men and women and non-discrimination for reasons of gender.

Notwithstanding the small staff structure of the Company, the remuneration conditions of the employees have been taken into account in the preparation of this Policy, being aligned with the Company's long-term sustainability strategy.

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.

In turn, 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 that the members of the Board of Directors as a whole could receive in their capacity as such shall amount to 650.000 euros. For the purpose of this calculation, the sum of the current remuneration items has been taken into account for the purposes of this calculation in the terms indicated below, as well as the possibility that there may be changes within the Board or in the composition of the Committees, thus avoiding the need to modify this Remuneration Policy.

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, for executive duties or for any other concept unrelated to their status as directors; (b) the premiums paid for any civil liability insurance by the Company for its directors; and (c) any 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 position held by the director in the Board of Directors and on 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, who 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 75,000. The Chairman of the Board will receive an additional annual remuneration of EUR 80,000 (amounting to EUR 155,000 annually as a whole).

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 12,500 (amounting EUR 27,500 annually as a whole).
- the Appointments, Remuneration and Sustainability Committee will receive an additional remuneration of 15,000 euros for participating in the meetings of the Committee. The Chairman of the Appointments, Remunerations and Sustainability Committee will receive, an additional remuneration of EUR 7,500 (amounting EUR 22,500 annually as a whole).

Lastly, those members of the Board, who, appointed by Lar España, participate in any corporate bodies of the subsidiaries that Lar España participates together with an external partner may perceive an additional fixed remuneration of EUR 15,000 per year in each subsidiary for their participation in the meetings of the aforementioned management bodies.

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, always respecting the maximum annual amount set forth in section 4.1 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, postcontractual 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, subject to a resolution of the General Shareholders' Meeting and upon proposal of the Appointments, Remuneration and Sustainability Committee, 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, Remunerations and Sustainability 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 require 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, upon the proposal of the Appointments, Remuneration and Sustainability Committee, shall submit to the General Shareholders' Meeting, at least every three years and as a separate item of the agenda, a proposal for a new Remuneration Policy, which shall be accompanied by a specific report from the Appointments, Remuneration and Sustainability Committee. Likewise, in the event that the Company has executive directors, the Board of Directors shall be the competent body, upon the proposal of the Appointments, Remuneration and Sustainability Committee, to determine and approve the terms and conditions of their contracts, within the framework of the Remunerations Policy approved by the General Shareholders' Meeting (articles 249 and 529 octodecies of the Spanish Companies Act), with the executive director abstaining from participating in the deliberation and voting on these resolutions.

The proposed Remunerations Policy submitted by the Board of Directors and the report prepared by the Appointments, Remuneration and Sustainability 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. In this regard, the General Shareholders' Meeting is the competent body to approve, where appropriate, the Remunerations Policy of the Company, and shall also be the responsible body for determining for each financial year the maximum amount of remuneration that the directors shall be entitled to receive. Based on the maximum annual amount set and approved by the General Meeting as remuneration to directors in their capacity as such, the Board shall have the power to determine the remuneration of each director in accordance with the duties and responsibilities attributed, membership and attendance at Board Committees and any other objective circumstances it deems relevant.

In order to avoid potential conflicts of interest at the General Shareholders' Meeting, directors who, following a public request, have been appointed by a shareholder as proxy for the General Shareholders' Meeting, shall refrain from exercising the voting rights corresponding to the shares represented in connection with resolutions relating to the Remunerations Policy, unless they have received voting instructions in this respect.

Any amendment or replacement of this Policy shall also require the prior approval of the General Shareholders' Meeting, without prejudice to the provisions of article 529 novodecies.5 of the Spanish Companies Act, in respect of those remunerations expressly approved by the General Shareholders' Meeting.

The Appointments, Remuneration and Sustainability Committee will continuously review this Policy and, specifically, its appropriateness to achieve the objectives included in section 2 of this Policy. The Appointments, Remuneration and Sustainability Committee of Lar España is only made up of external directors and therefore no executive directors, thus avoiding possible conflicts of interest that could arise in the event that the Company has an executive member on the Board of Directors. Likewise, at the proposal of the Appointments, Remunerations and Sustainability 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, Remuneration and Sustainability Committee is responsible for ensuring the compliance of such Policy.

7.3. Term of the Remunerations Policy

This Remuneration Policy shall be in effect for the remainder of the financial year 2024 and for the following three financial years (financial years 2025, 2026 and 2027). Notwithstanding the foregoing, the General Shareholders' Meeting of Lar España may



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

amend, modify or replace this Remuneration Policy at any time in accordance with the procedure set forth in the preceding sections.