



NATIONAL SECURITIES MARKET COMMISSION

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

OTHER RELEVANT INFORMATION

Lar España informs that the Board of Directors of the Company resolved to call the Ordinary General Shareholders' Meeting, which will be held in Madrid, at Príncipe de Vergara 187, Plaza de Rodrigo Uría, on March 30, 2023, at 12:00 on first call, or, if the required quorum is not met, on second call, on March 31, 2023, at the same place and time. It is expected that the Ordinary General Shareholders' Meeting will be held on second call, on March 31, 2023.

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, February 28, 2023.

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



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LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

2023 ORDINARY GENERAL SHAREHOLDERS' MEETING

PLACE, DATE AND TIME OF THE MEETING

The Board of Directors of Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**") has resolved to call the Ordinary General Shareholders' Meeting, which will be held in Madrid, at Príncipe de Vergara 187, Plaza de Rodrigo Uría, on March 30, 2023, at 12:00 on first call, or, if the required quorum is not met, on March 31, 2023, at the same place and time, on second call.

It is expected that the Ordinary General Shareholders' Meeting will be held on second call, on March 31, 2023, 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 financial year 2022.
- Two.-** Approval, if appropriate, of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2022.
- Three.-** Approval, if appropriate, of the Board of Directors' management and activities during financial year 2022.

II. Dividend distribution:

- Four.-** Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for financial year 2022.

III. Company's auditor:

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

IV. Board of Directors:

- Six.-** Re-election, if appropriate, of directors of the Company.
 - 6.1. Re-election, if appropriate, of Mr. José Luis del Valle Doblado as independent director of the Company.



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- 6.2. Re-election, if appropriate, of Mr. Miguel Pereda Espeso as proprietary director of the Company.
- 6.3. Re-election, if appropriate, of Mr. Roger Maxwell Cooke MBE as independent director of the Company.
- 6.4. Re-election, if appropriate, of Mr. Alec Emmot as independent director of the Company.

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

V. Corporate Governance of the Company

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

- 8.1. Amendment, if appropriate, of the article regarding the Audit and Control Committee.
- 8.2. Amendment, if appropriate, of the article regarding the Appointments, Remuneration and Sustainability Committee.
- 8.3. Approval, as a result of the previous amendments, of a consolidated text of the Company's Articles of Association.

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 financial year 2022.

VIII. Informative matters:

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

PARTICIPATION: ATTENDANCE, PROXY REPRESENTATION AND ABSENTEE VOTING

All holders of voting shares who have caused such shares to be registered in their name in the corresponding book-entry register not later than five days before the meeting is to be held may



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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 March 29, 2023. 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 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 2022.

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,



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together with the respective reports of the Board of Directors and its Committees that, where appropriate, are required by Law; (4) in relation to the directors whose re-elections are proposed to the General Shareholders' Meeting, their background and professional experience; directorships held in other relevant companies, either listed or not; the directors' class to which they belong; the date of their 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 2022 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 2022; (7) the directors' statement of responsibility provided for in article 118 of the consolidated text of the Securities Market Law (*Ley del Mercado de Valores*) approved by Royal Legislative Decree 4/2015 which, together with the documents set forth in the two preceding items, constitute the annual financial report for financial year 2022; (8) the annual corporate governance report for financial year 2022; (9) the annual directors' remuneration report for financial year 2022; (10) the report prepared by the Audit and Control Committee of the Company on its functions during the financial year 2022, the auditor's independence and related-party transactions; (11) the annual report prepared by the Appointments, Remuneration and Sustainability Committee regarding financial year 2022; (12) the current text of the Articles of Association and other documents comprising the corporate governance system for the Company, as well as the resulting text of the Articles of Association if the amendments proposed to the General Shareholders' Meeting are approved; (13) the current text of the Board of Directors Regulations, the Regulations of the Audit and Control Committee and the Regulations of the Appointments, Remuneration and Sustainability Committee; (14) the report prepared by the Board of Directors regarding the amendments of its Regulations, the amendments to the Regulations of the Audit and Control Committee and the amendments to the Regulations of the Appointments, Remuneration and Sustainability Committee; (15) the procedures and requirements for accrediting ownership of the Company's shares and the Shareholders' Meeting attendance right, as well as the applicable rules regarding proxy representation; (16) a description of the shareholder's information right; (17) the rules of the Electronic Shareholders' Forum; and (18) information regarding the total number of shares and voting rights on the date of publication of this announcement of call to meeting.

Furthermore, shareholders have the right to examine at the Company's registered office and to request the immediate delivery or shipping without charge (which may be carried out by e-mail, with 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 2022, of the proposed resolutions, including those relating to the amendments of the Articles of Association,



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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 5, 2023, inclusive, shareholders representing at least 3% of the share capital may request the publication of a supplement to the call to the Ordinary General Shareholders' Meeting including one or more items in the agenda, provided such new items are accompanied by the rationale therefor or, if appropriate, by a duly substantiated proposal for a resolution, and submit well-founded proposed resolutions on matters already included or that must be included in the agenda of the call to meeting. Such rights must be exercised by duly authenticated notice that must be received at the registered office of the Company.

COMMON PROVISIONS APPLICABLE TO THE RIGHTS OF THE SHAREHOLDERS

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

OTHER SIGNIFICANT ASPECTS

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

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

PERSONAL DATA PROTECTION

The personal data provided by shareholders to the Company for the exercise of their attendance, 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



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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 February 28, 2023

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. 2023

ITEM ONE ON THE AGENDA

Approval, if appropriate, of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for financial year 2022

RESOLUTION

To approve the individual annual accounts of Lar España Real Estate SOCIMI, S.A. (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and notes) and the annual accounts of the Company consolidated with those of its subsidiaries (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and notes) for the financial year ended on December 31, 2022, which were drawn up by the Board of Directors at its meeting held on February 24, 2023.



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ITEM TWO ON THE AGENDA

Approval, if appropriate, of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2022

RESOLUTION

To approve the individual management report of Lar España Real Estate SOCIMI, S.A. and the management report of Lar España Real Estate SOCIMI, S.A. consolidated with that of its subsidiaries for the financial year 2022, which were drawn up by the Board of Directors at its meeting held on February 24, 2023.



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ITEM THREE ON THE AGENDA

Approval, if appropriate, of the Board of Directors' management and activities during financial year 2022

RESOLUTION

To approve the management of the Company and the activities of the Board of Directors of Lar España Real Estate SOCIMI, S.A. during the financial year ended on December 31, 2022.



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ITEM FOUR ON THE AGENDA

Approval, if appropriate, of the proposed allocation of profits and the dividend distribution for financial year 2022

RESOLUTION

To approve the proposed allocation of profits and distribution of dividends prepared by the Board of Directors at its meeting held on February 24, 2023, which is described below:

To distribute, with a charge to the results for the financial year ended on December 31, 2022, a gross dividend of EUR 0.1475 for each share of Lar España Real Estate SOCIMI, S.A.

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

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

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

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

BASIS FOR DISTRIBUTION:

Profits for financial year 2022 of
Lar España Real Estate SOCIMI, S.A.:EUR 13,718 thousand

DISTRIBUTION:

To legal reserve (minimum amount): EUR 1,372 thousand

To dividends (maximum amount to distribute corresponding to a fixed dividend of EUR 0.1475 (gross) per share):..... EUR 12,346 thousand

TOTAL: EUR 13,718 thousand

In addition, a share premium distribution is approved for an amount of EUR 37,654 thousand (0.4499 per share).

The distribution 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

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

RESOLUTION

Renew the appointment of Deloitte, S.L. as auditor of the Company's individual and consolidated accounts, for the year starting on January 1, 2023. Deloitte, S.L. has its registered office at Plaza Pablo Ruiz Picasso 1, Torre Picasso, 28020 Madrid, Spain, holds Spanish tax identification number B-79104469 and is registered with the Commercial Registry of Madrid at volume 13,650, section 8, sheet 188, page M-54,414, record 96^a, and at the Official Registry of Accounts' Auditors (*Registro Oficial de Auditores de Cuentas*) with number S0692.

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



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ITEM SIX ON THE AGENDA

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

The Board of Directors has formally agreed to implement a plan for the orderly and staggered renewal of some of its members, which will enable the Company to comply, in 2024, with the recommendations on gender diversity on the Board contained in the Good Corporate Governance Code for Listed Companies ("CBG") 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, have agreed to undertake the commitment to do whatever is necessary to ensure that, by 2024, the Company complies with the recommendations of the CBG regarding the proportion of female directors among the total number of members of the Board. Further details on this orderly and staggered Board renewal plan are set out in the reports issued by the Nominations, Remuneration and Sustainability Committee (the "NRSC") and the Board in connection with these proposals, which are available to shareholders on the corporate website (www.larespana.com).

In connection with the above, the re-election of the directors Mr. Miguel Pereda Espeso, Mr. José Luis del Valle Doblado, Mr. Roger Maxwell Cooke MBE and Mr. Alec Emmott, appointed by the General Shareholders Meeting of the Company on March 17, 2020 for the statutory term of three years, is submitted to the General Meeting, in accordance with the aforementioned plan for the orderly and staggered renewal of the Board and with the prospects envisaged thereunder.

In accordance with article 529 decies of the Spanish Companies Law (*Ley de Sociedades de Capital*): (i) the Board of Directors has proposed the re-election of Mr. Miguel Pereda Espeso as proprietary director, which has been favourably reported by the NRCS; and (ii) the NRCS has proposed the re-election of Mr. José Luis del Valle Doblado, D. José Luis del Valle Doblado, Mr. Roger Maxwell Cooke MBE and Mr. Alec Emmott as independent directors, which has been favourably reported by the Board of Directors. The reports issued by the NRCS and the Board in relation to the above proposals, which contain the other information required by article 518.e) of the Spanish Companies Law (*Ley de Sociedades de Capital*), are available to shareholders on the corporate website (www.larespana.com).

In view of the above, the aforementioned re-elections are submitted to a vote on an individual basis, in compliance with article 197 bis.2.a) of the Spanish Companies Law (*Ley de Sociedades de Capital*).

It is hereby proposed:

6.1. Re-election, if appropriate, of Mr. José Luis del Valle Doblado as independent director of the Company

RESOLUTION

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

6.2. Re-election, if appropriate, of Mr. Miguel Pereda Espeso as proprietary director of the Company

RESOLUTION



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

6.3. Re-election, if appropriate, of Mr. Roger Maxwell Cooke MBE as independent director of the Company

RESOLUTION

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

6.4. Re-election, if appropriate, of Mr. Alec Emmot as independent director of the Company

RESOLUTION

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



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ITEM SEVEN ON THE AGENDA

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

RESOLUTION

In line with the authorisation granted by the Ordinary General Shareholders' Meeting of 2016 and renewed by the Ordinary General Shareholders' Meeting of 2017 and 2020, in accordance with article 230 of the Spanish Companies Law (*Ley de Sociedades de Capital*), to renew the express authorisation to director Mr. Miguel Pereda Espeso to perform his duties as member of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (managing company of Lar España) and other companies of its group, even when their activities may be analogous or complementary to that of the Company, given these actions may not harm Lar España and any conflict of interest situation that may arise in the exercise of his office as Company director is subject to the applicable law and to the provisions of the Investment Management Agreement executed by the Company and Grupo Lar on 12 February 2014 and amended on 19 February 2018.

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



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ITEM EIGHT ON THE AGENDA

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

RESOLUTION

Following the mandatory report from the Board of Directors, approve the amendments to the following articles of the Articles of Association: article 42 ("Audit and Control Committee. Composition, authority and functioning") and article 43 ("Appointments, Remuneration and Sustainability Committee").

The purpose of these amendments is to: (i) to allow that the persons who may hold the office of Secretary and Vice-Secretary of the Audit and Control Committee and of the Nominations, Remuneration and Sustainability Committee may be the Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, with the suitability to perform the duties inherent to the corresponding positions; (ii) expressly provide for the possibility that the aforementioned Committees may have a Vice-Secretary, when so deemed appropriate by the Board, a position that may be held by the same persons indicated above with respect to the Secretary; and (iii) complete the provision relating to the appointment of the Chairmen of the two Board Committees, specifying that they shall be elected from among the "independent" Directors forming part of their respective Committees, in accordance with the provisions of articles 529 quaterdecies.2 and 529 quindicies.1 of the Spanish Companies Law (*Ley de Sociedades de Capital*).

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

8.1. Amendment, if appropriate, of the article regarding the Audit and Control Committee.

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

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

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

2. *The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof.*

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

The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Vice-Secretary. The Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the



Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

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

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

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

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

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

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

governing audit activities.

g. Inform about related transactions to be approved by the General Shareholders' Meeting or the Board of Directors and supervise the internal procedure established by the Company for those related transactions which approval has been delegated by the Board of Directors in accordance with the applicable regulations.

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

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

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

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

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

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

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

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

8.2. Amendment, if appropriate, of the article regarding the Appointments, Remuneration and Sustainability Committee.

"Article 43.- Appointments, Remuneration and Sustainability Committee

1. The Board of Directors will constitute a permanent Appointments, Remuneration

Sustainability Committee, an internal body of an informational and advisory nature, with no executive functions, with rights of information, advice and proposal within the scope of its authority as indicated in section 3 of this article. The Appointments, Remuneration and Sustainability Committee will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors, on proposal of the Chairman of the Board. The majority of the members of the Appointments and Remuneration Committee will be independent directors.

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

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

2. The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof.

The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Vice-Secretary. The Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

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

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

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

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

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

f. Examining and organising the succession of the chairman of the Board of Directors and the

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

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

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

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

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

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

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

ITEM NINE ON THE AGENDA

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.



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

ITEM TEN ON THE AGENDA

Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2022

RESOLUTION

To approve, on a consultative basis, the Annual Directors' Remuneration Report for financial year 2022, 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.



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

ITEM ELEVEN ON THE AGENDA

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

RESOLUTION

To acknowledge the amendments of the Board of Directors' Regulations, the Audit and Control Committee's Regulations and the Appointments, Remuneration and Sustainability Committee's Regulations, approved by the Board of Directors at its meetings held on:

- (a) November 17, 2022, in order to adapt the maximum term of office of the Chairman of the Audit and Control Committee to that provided for in article 529 quaterdecies.2 of the Spanish Companies Law (*Ley de Sociedades de Capital*), extending it from three to four years, amending, for this purpose, article 14 ("Audit and Control Committee. Composition, competences, and functioning") of the Regulations of the Board of Directors and Article 4 ("Committee positions") of the Regulations of the Audit and Control Committee; and
- (b) February 24, 2023, in order to: (i) allow that the persons who may hold the office of Secretary and Vice-Secretary of the Audit and Control Committee and of the Appointments, Remuneration and Sustainability Committee may be the Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, who is qualified to perform the functions of the corresponding offices; (iii) to include (in the Regulations of the Committees) that, in the event that the Secretary and, where appropriate, the Vice-Secretary of the Committee are not members thereof, they shall have the right to speak but not to vote.

In any event, the proposed amendments to the aforementioned Regulations approved by the Board on February 24, 2023 are conditional upon the approval by the 2023 General Shareholders' Meeting of the amendment of articles 42 ("Audit and Control Committee. Composition, competences and functioning") and 43 ("Appointments, Remuneration and Sustainability Committee") of the Articles of Association of Lar España, as proposed in item eight above.

The amendment of each article of the Board of Directors' Regulations, the Audit and Control Committee's Appointments, Remuneration and Sustainability Committee's Regulations are explained in detail in the supporting report approved by the Board of Directors pursuant to articles 518.d) and 528 of the Spanish Companies Law (*Ley de Sociedades de Capital*).

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. JOSÉ LUIS DEL VALLE DOBLADO AS AN EXTERNAL INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 30 AND 31, 2023, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

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

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

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

In light of the foregoing, and in view of the upcoming expiry of Mr. José Luis del Valle Doblado's office, the purpose of this report is to assess the proposal of the Appointments, Remuneration and Sustainability Committee to re-elect Mr. José Luis del Valle Doblado as a director of the Company, as well as his competence, experience and merits. The aforementioned proposal of the Nomination, Remuneration and Sustainability Committee is attached as an **Annex** to this report.

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

composition of the Board of Directors. This plan affects the continuity in office of two independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director) and Mr. Roger Maxwell Cooke (independent Director), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence. In this way, **the Board has the objective of complying with recommendation 15 of the CBG in 2024** and all the directors, who share this objective, have personally assumed the commitment to adopt as many measures as necessary or convenient to facilitate this. In particular, it is envisaged that in 2024, Mr. Alec Emmott will complete his term of office. Alec Emmott will end his connection as a director of the Company, thus facilitating compliance with the 40% quota of women next year, and Mr. Roger Cooke will do so in 2025, also facilitating the staggered renewal of the Board, but guaranteeing, at all times, the appropriate stability in the composition of the Board of Directors and its Committees in order to maintain the suitability of the Board as a whole and preserve the experience and knowledge of those who have been serving as directors.

2. CANDIDATE'S ASSESSMENT

Below is the Board's assessment of the competence, experience and merits of Mr. José Luis del Valle Doblado and his suitability to perform his duties as independent director of the Company, in view of the motivated proposal issued by the Appointments, Remuneration and Sustainability Committee of the Company at its meeting held on 23 February 2023.

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

a. Biographical and professional profile

Mr. José Luis del Valle has extensive experience in the banking and energy sectors. From 1988 to 2002 he held various positions with Banco Santander, one of the most relevant financial entities in Spain. In 1999 he was appointed General Manager and Financial Manager of the bank (1999-2002).

Subsequently he was Development and Strategy Manager of Iberdrola, one of the main Spanish energy companies (2002-2008), Managing Director of Scottish Power (2007-2008), Strategy and Research Manager of Iberdrola (2008-2010), Advisor to the Chairman of the wind turbine manufacturer Gamesa (2011-2012) and Chairman of GES - Global energy Services (2014-2017) among others. Starting in 2018 and until 1 February 2023, he was the Chairman of the Board of Directors of Wizink Bank, which he will continue to advise until 30 June 2023. He is currently a Director of the insurance group Ocaso and Director of the Instituto de Consejeros-Administradores.

Mr. del Valle holds a degree in Mining Engineering from the Universidad Politécnica (Madrid, Spain), and a Master of Science and Nuclear Engineering from the Massachusetts

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

b. Membership of other Boards of Directors of listed companies

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

In keeping with the provisions of the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on 24 February 2023, Mr. del Valle does not perform any additional remunerated activities on a regular basis, of any nature whatsoever, other than those indicated above.

c. Quality of his work and involvement

Mr. José Luis del Valle was appointed director of Lar España, under the category of independent director, in 2014 and he was subsequently re-elected as such in 2017 and 2020. Moreover, he currently chairs the Board of Directors and is member of the Company's Audit and Control Committee.

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remuneration and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competencies. In this context, at the beginning of 2023, an updated matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. José Luis del Valle is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as finance, audits, risks, ESG, international markets, experience in other board of directors of listed companies and in team management, investments and shareholders knowledge or technical knowledge as an engineer; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board of Directors as a collegiate body.

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

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

d. Holdings in the Company

According to the information that has been disclosed to the Company, Mr. José Luis del Valle holds, (i) directly, 100,000 shares representing 0.119% of the voting rights of the Company, and (ii) indirectly, through the company Eugemor Sicav, S.A., 47,425 shares representing 0.057% of the voting rights of the Company.

e. Director's category

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

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments, Remuneration and Sustainability Committee's proposal and issues a favourable report on the re-election of Mr. José Luis del Valle Doblado as director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that the



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director will give continuity to the management of the Company and its group carried out to date.

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

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

Madrid, February 24, 2023.

ANNEX

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

1. INTRODUCTION

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

2. PROPOSAL'S JUSTIFICATION

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

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

Mr. José Luis del Valle has extensive experience in the banking and energy sectors. From 1988 to 2002 he held various positions with Banco Santander, one of the most relevant financial entities in Spain. In 1999 he was appointed General Manager and Financial Manager of the bank (1999-2002). Subsequently he was Development and Strategy Manager of Iberdrola, one of the main Spanish energy companies (2002-2008), Managing Director of Scottish Power (2007-2008), Strategy and Research Manager of Iberdrola (2008-2010), Advisor to the Chairman of the wind turbine manufacturer Gamesa (2011-2012) and Chairman of GES - Global energy Services (2014-2017) among others. Starting in 2018 and until 1 February 2023, he was the Chairman of the Board of Directors of Wizink Bank, which he will continue to advise until 30 June 2023. He is currently a Director of the insurance group Ocaso; and Director of the Instituto de Consejeros-Administradores. Mr. del Valle holds a degree in Mining Engineering from the Universidad

Politécnica (Madrid, Spain), and a Master of Science and Nuclear Engineering from the Massachusetts Institute of Technology (Cambridge, USA). Furthermore, Mr. del Valle holds an MBA with high honours from Harvard Business School (Boston, USA).

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

In this regard, it should also be noted that the Committee has placed special emphasis on being able to comply with recommendation 15 of the Good Corporate Governance Code for Listed Companies ("**CBG**") approved by the National Securities Market Commission and has been working together with the Board towards this goal. In fact, already in 2022, at the Commission's proposal, the Company went from having 29% women on the Board to the current 33.3%, when the size of the Board was reduced. In the same vein, the Committee proposed to the Board the implementation of a plan for the **orderly and staggered renewal of the Board**, so that in the short term (2024), the 40% quota of women on the Board is fully complied with. This plan affects the tenure of the independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director), Mr. Roger Maxwell Cooke (independent Director) and Mr. José Luis del Valle (independent Chairman), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remuneration and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competencies. In this context, at the beginning of 2023, a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. José Luis del Valle is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as finance, audits, risks, ESG, international markets, experience in other board of directors of listed companies and in team management, investments and shareholders knowledge or technical knowledge as an engineer; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board of Directors as a collegiate body.

On a separate note, the Appointments, Remuneration and Sustainability Committee has analysed the other offices in which Mr. del Valle serves. Mr. del Valle is not a member of the Board of Directors any other listed companies other than Lar España. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations.

The Committee has also evaluated the director's independence and considers that Mr. del Valle is not involved in any situation that prevent him from performing his duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

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

The full text of the proposed resolution is the following:

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

ANNEX

COMPETENCY MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Diversity						
Gender (Women 33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Nationality Spanish (66,7%) British (33,3%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Seniority on the board (First appointment)	05/02/2014	05/02/2014	05/02/2014	29/05/2017	16/10/2018	05/02/2014
< 5 years (33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
6-9 years (66,7%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
10-12 years (0%)						
> 12 years (0%)						
Academic background						
Engineering	<input checked="" type="checkbox"/>					
Real Estate		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Architecture and Urban Planning				<input checked="" type="checkbox"/>		
Business and Economics					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal / tax						<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"/>	<input checked="" type="checkbox"/>
Skills and experience						
Sector:		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Real Estate / Retail /Valuations						
Technical Sector:						
Architecture / Urban Planning / Engineering	<input checked="" type="checkbox"/>			<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 markets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance	<input checked="" type="checkbox"/>	<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"/>		<input checked="" type="checkbox"/>	
Management experience						
Other boards of listed companies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Investors' knowledge / Other stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team and talent management / Remuneration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Functions of the Chief Executive / CEO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*ACA: Audit and Control Committee

**ARSC: Appointments, Remuneration and Sustainability Committee

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. MIGUEL PEREDA ESPESO AS PROPRIETARY DIRECTOR OF THE COMPANY UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 30 AND 31, 2023, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

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

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

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

In light of the foregoing, and in view of the upcoming expiry of the term of office of Mr Miguel Pereda Espeso, the purpose of this report is to assess the proposal of the Appointments, Remuneration and Sustainability Committee to re-elect Mr Miguel Pereda Espeso as a director of the Company, as well as his competence, experience and merits. The aforementioned report of the Nomination, Remuneration and Sustainability Committee is attached as an **Annex** to this report.

As an introduction to this report, it should be noted that at the end of 2022, the Board unanimously agreed to implement a **plan for the orderly and staggered renewal of the Board**, which in the short term, and more specifically through the General Meetings of 2023 and 2024, will allow full compliance with the 40% quota of women on the Board established by Recommendation 15 of the Code of Good Corporate Governance of Listed Companies ("**CBG**"), without affecting compliance with the other recommendations related to the structure and composition of the Board of Directors. This plan affects the continuity in office of two independent directors whose terms of office now expire: Mr. Alec Emmott (independent director) and Mr.

Roger Maxwell Cooke (independent director), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence. In this way, **the Board has the objective of complying with recommendation 15 of the CBG in 2024** and all the directors, who share this objective, have personally assumed the commitment to adopt as many measures as necessary or convenient to facilitate this. In particular, it is envisaged that in 2024, Mr. Alec Emmott will complete his term of office. Alec Emmott will end his connection as a director of the Company, thus facilitating compliance with the 40% quota of women next year, and Mr. Roger Cooke will do so in 2025, also facilitating the staggered renewal of the Board, but guaranteeing, at all times, the appropriate stability in the composition of the Board of Directors and its Committees in order to maintain the suitability of the Board as a whole and preserve the experience and knowledge of those who have been serving as directors.

It should also be noted that under the Investment Manager Agreement entered into between the Company and its investment manager (Grupo Lar Inversiones Inmobiliarias, S.A.), the latter has the right to request the Board of Directors to appoint a non-executive director of the Company designated by the investment manager, subject to compliance with applicable regulations and to the proposed candidate being duly qualified. The investment manager exercised this right in respect of Mr. Miguel Pereda, whose appointment has been validated by the Board, following his first appointment in 2014, both in 2017 and in 2020.

2. PROPOSAL'S JUSTIFICATION

Below is the Board's assessment of the competence, experience and merits of Mr. Miguel Pereda Espeso and his suitability to perform his duties as proprietary director of the Company, in view of the report issued by the Appointments, Remuneration and Sustainability Committee of the Company at its meeting held on 23 February 2023.

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

a. Biographical and professional profile

Mr. Pereda has more than 30 years of experience in the real estate sector, having served as Chief Executive Officer of Lar Grosvenor for 6 years.

He is currently Chairman and a shareholder of Grupo Lar Inversiones Inmobiliarias, S.A., as well as director of some of its subsidiaries, Chairman of Villamagna, S.A., a company of the Grosvenor Group, Chairman of the Altamira Lar Foundation and in 2015 he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London.

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

b. Membership of other Boards of Directors of listed companies

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

Moreover, Mr. Pereda is a shareholder and the Chairman of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and a director other companies of its group. He was expressly authorised to perform these duties and to obtain the relevant remuneration in 2014 by the then sole shareholder of the Company. This authorisation was subsequently renewed at the General Shareholders' Meeting held in 2017 and in the General Shareholders' Meeting held on March 17, 2020, and , it will be submitted for shareholder approval at the 2023 ordinary General Shareholders' Meeting.

In keeping with the provisions of the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on 24 February 2023, Mr. Miguel Pereda does not perform any additional remunerated activities on a regular basis, of any nature whatsoever, other than those indicated above.

c. Quality of his work and involvement

Mr. Pereda was appointed director of Lar España, under the category of proprietary director, in 2014 and he was subsequently re-elected as such in 2017 and in 2020. Moreover, he currently is member of the Company's Appointments, Remuneration and Sustainability Committee.

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remuneration and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition

of the Board as well as the matrix of the Board's competencies. In this context, at the beginning of 2023, a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Miguel Pereda is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, finance, international markets, investment and shareholders knowledge, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board of Directors as a collegiate body.

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

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

d. Holdings in the Company

According to the information that has been disclosed to the Company, Mr. Miguel Pereda holds, (i) directly, 29,905 shares representing 0.035% of the voting rights of the Company, and (ii) indirectly, through the company Grupo Lar Inversiones Inmobiliarias, S.A., of which he is one of its shareholders, shares representing 10% of the voting rights of the Company.

e. Director's category

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

3. PROPOSED RESOLUTION

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

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

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



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

Madrid, February 24, 2023.

ANNEX

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

1. INTRODUCTION

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

2. ASSESSMENT OF THE PROPOSAL

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

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

Mr. Pereda has more than 30 years of experience in the real estate sector, having served as Chief Executive Officer of Lar Grosvenor for 6 years.

He is currently Chairman and a shareholder of Grupo Lar Inversiones Inmobiliarias, S.A., as well as director of some of its subsidiaries, Chairman of Villamagna, S.A., a company of the Grosvenor Group, Chairman of the Altamira Lar Foundation and in 2015 he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London.

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

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

In this regard, it should also be noted that the Committee has placed special emphasis on being able to comply with recommendation 15 of the Good Corporate Governance Code for Listed Companies ("**CBG**") approved by the National Securities Market Commission and has been working together with the Board towards this goal. In fact, already in 2022, at the Commission's proposal, the Company went from having 29% women on the Board to the current 33.3%, when the size of the Board was reduced. In the same vein, the Committee proposed to the Board the implementation of a **plan for the orderly and staggered renewal of the Board**, so that in the short term (2024), the 40% quota of women on the Board is fully complied with. This plan affects the tenure of the independent directors whose terms of office now expire: Mr. Alec Emmott (independent director), Mr. Roger Maxwell Cooke (independent director) and Mr. José Luis del Valle (independent chairman), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remuneration and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competences. In this context, at the beginning of 2023, an updated matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each directors, attached to this report as an **Annex**. As a consequence of such analysis, it is concluded that Mr. Miguel Pereda is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, finance, international markets, investment and shareholders knowledge, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board of Directors as a collegiate body.

On a separate note, the Appointments, Remuneration and Sustainability Committee has analysed the other offices in which Mr. Pereda serves. Mr. Pereda is a shareholder and the Co-Chairman of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and a director of other companies of its group. He was expressly authorised to perform these duties and to obtain the relevant remuneration in 2014 by the then sole shareholder of the Company. This authorisation was subsequently renewed at the General Shareholders' Meeting held in 2017 and in the General Shareholders' Meeting held on March 17, 2020, and , it will be submitted for shareholder approval at the 2023 ordinary General Shareholders' Meeting

3. FAVOURABLE REPORT

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

The full text of the proposed resolution is the following:

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

ANNEX

COMPETENCY MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Diversity						
Gender (Women 33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Nationality Spanish (66,7%) British (33,3%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Seniority on the board (First appointment)	05/02/2014	05/02/2014	05/02/2014	29/05/2017	16/10/2018	05/02/2014
< 5 years (33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
6-9 years (66,7%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
10-12 years (0%)						
> 12 years (0%)						
Academic background						
Engineering	<input checked="" type="checkbox"/>					
Real Estate		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Architecture and Urban Planning				<input checked="" type="checkbox"/>		
Business and Economics					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal / tax						<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"/>	<input checked="" type="checkbox"/>
Skills and experience						
Sector:		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Real Estate / Retail /Valuations						
Technical Sector:						
Architecture / Urban Planning / Engineering	<input checked="" type="checkbox"/>			<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 markets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance	<input checked="" type="checkbox"/>	<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"/>		<input checked="" type="checkbox"/>	
Management experience						
Other boards of listed companies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Investors' knowledge / Other stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team and talent management / Remuneration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Functions of the Chief Executive / CEO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*ACA: Audit and Control Committee

**ARSC: Appointments, Remuneration and Sustainability Committee

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. ROGER MAXWELL COOKE MBE AS AN EXTERNAL INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 30 AND 31, 2023, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

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

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

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

In light of the foregoing, and in view of the forthcoming expiry of Mr. Roger Maxwell Cooke's office, the purpose of this report is to assess the proposal of the Appointments, Remuneration and Sustainability Committee to re-elect Mr. Roger Maxwell Cooke as a director of the Company, as well as his competence, experience and merits. The aforementioned proposal of the Nomination, Remuneration and Sustainability Committee is attached as an **Annex** to this report.

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

composition of the Board of Directors. This plan affects the continuity in office of two independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director) and Mr. Roger Maxwell Cooke (independent Director), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence. In this way, **the Board has the objective of complying with recommendation 15 of the CBG in 2024** and all the directors, who share this objective, have personally assumed the commitment to adopt as many measures as necessary or convenient to facilitate this. In particular, it is envisaged that in 2024, Mr. Alec Emmott will complete his term of office. Alec Emmott will end his connection as a director of the Company, thus facilitating compliance with the 40% quota of women next year, and Mr. Roger Cooke will do so in 2025, also facilitating the staggered renewal of the Board, but guaranteeing, at all times, the appropriate stability in the composition of the Board of Directors and its Committees in order to maintain the suitability of the Board as a whole and preserve the experience and knowledge of those who have been serving as directors.

2. CANDIDATE'S ASSESSMENT

Below is the Board's assessment of the competence, experience and merits of Mr. Roger Maxwell Cooke MBE and his suitability to perform his duties as independent director of the Company, in view of the motivated proposal issued by the Appointments, Remunerations and Sustainability Committee of the Company at its meeting held on 23 February 2023.

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

a. Biographical and professional profile

Mr. Cooke is an experienced professional with more than 40 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, leading the company to attain a leading position in the sector.

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

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is currently a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since September 2017, Mr. Roger Maxwell is Chairman of the Editorial Board of Iberian Property and since January 2020 is the Chairman of RICS Spain and a member of its European Advisory Board. He is also a member of the Executive Committee of the British Hispanic Foundation and in January 2022 he joined the Real Estate Observatory as editorial advisor.

b. Membership of other Boards of Directors of listed companies

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

In keeping with the provisions of the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on 24 February 2023, the only remunerated activity performed on a regular basis by Mr. Cooke is the editorial advisory of the Real Estate Observatory.

c. Quality of his work and involvement

Mr. Cooke was appointed director of Lar España, under the category of independent director, in 2014 and he was subsequently re-elected as such in 2017 and in 2020. Moreover, he currently is member and Chairman of the Company's Appointments, Remunerations and Sustainability Committee.

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remunerations and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competencies. In this context, at the beginning of 2023, an updated matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Roger Cooke is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, knowledge of the investment world, as well as team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board of Directors as a collegiate body.

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

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

d. Holdings in the Company

According to the information disclosed to the Company, Mr. Roger M. Cooke holds 2,500 shares in the Company, which are representative of 0.003% of the share capital.

e. Director's category

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

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments, Remunerations and Sustainability Committee's proposal and issues a favourable report on the re-election of Mr. Roger Maxwell Cooke MBE as director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that Mr. Roger M. Cooke will give continuity to the management of the Company and its group carried out to date, and without prejudice to the envisaged orderly renewal of the Council in accordance with the terms described in the introduction to this report.

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



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

Shareholders' Meeting is the following:

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

Madrid, February 24, 2023.

ANNEX

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

1. INTRODUCTION

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

2. PROPOSAL'S JUSTIFICATION

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

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

Mr. Cooke is an experienced professional with more than 40 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, leading the company to attain a leading position in the sector. In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment. Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is currently a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since September 2017, Mr. Roger Maxwell is Chairman of the Editorial Board of Iberian Property and since January 2020 is the Chairman of RICS Spain and a member of its European Advisory Board. He is also a member of the

Executive Committee of the British Hispanic Foundation and in January 2022 he joined the Real Estate Observatory as editorial advisor.

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

In this regard, it should also be noted that the Committee has placed special emphasis on being able to comply with recommendation 15 of the Good Corporate Governance Code for Listed Companies ("CBG") approved by the National Securities Market Commission and has been working together with the Board towards this goal. In fact, already in 2022, at the Commission's proposal, the Company went from having 29% women on the Board to the current 33.3%, when the size of the Board was reduced. In the same vein, the Committee proposed to the Board the implementation of a plan for the orderly and staggered renewal of the Board, so that in the short term (2024), the 40% quota of women on the Board is fully complied with. This plan affects the tenure of the independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director), Mr. Roger Maxwell Cooke (independent Director) and Mr. José Luis del Valle (independent Chairman), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remunerations and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competences. In this context, at the beginning of 2023, an updated matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each directors, attached to this report as an **Annex**. As a consequence of such analysis, it is concluded that Mr. Roger Cooke is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a collegiate body.

On a separate note, the Appointments, Remunerations and Sustainability Committee has analysed the other offices in which Mr. Cooke serves. Mr. Cooke is not member of the Board of Directors of any listed company other than Lar España. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations.

The Committee has also evaluated the director's independence and considers that Mr. Cooke is not involved in any situation that prevent him from performing his duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

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

The full text of the proposed resolution is the following:

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

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COMPETENCY MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Diversity						
Gender (Women 33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Nationality Spanish (66,7%) British (33,3%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Seniority on the board (First appointment)	05/02/2014	05/02/2014	05/02/2014	29/05/2017	16/10/2018	05/02/2014
< 5 years (33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
6-9 years (66,7%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
10-12 years (0%)						
> 12 years (0%)						
Academic background						
Engineering	<input checked="" type="checkbox"/>					
Real Estate		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Architecture and Urban Planning				<input checked="" type="checkbox"/>		
Business and Economics					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal / tax						<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"/>	<input checked="" type="checkbox"/>
Skills and experience						
Sector:		<input checked="" type="checkbox"/>	<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"/>	<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 markets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance	<input checked="" type="checkbox"/>	<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"/>		<input checked="" type="checkbox"/>	
Management experience						
Other boards of listed companies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Investors' knowledge / Other stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team and talent management / Remunerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Functions of the Chief Executive / CEO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*ACA: Audit and Control Committee

**ARSC: Appointments, Remunerations and Sustainability Committee

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. ALEC EMMOTT AS AN EXTERNAL INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 30 AND 31, 2023, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

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

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

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

In light of the foregoing, and in view of the upcoming expiry of Mr. Alec Emmott's office, the purpose of this report is to assess the proposal of the Appointments, Remuneration and Sustainability Committee to re-elect Mr. Alec Emmott as a director of the Company, as well as his competence, experience and merits. The aforementioned proposal of the Nomination, Remuneration and Sustainability Committee is attached as an **Annex** to this report.

As an introduction to this report, it should be noted that at the end of 2022, the Board unanimously agreed to implement a **plan for the orderly and staggered renewal of the Board**, which in the short term, and more specifically through the General Meetings of 2023 and 2024, will allow full compliance with the 40% quota of women on the Board established by Recommendation 15 of the Code of Good Corporate Governance of Listed Companies ("**CBG**"), without affecting compliance with the other recommendations related to the structure and composition of the Board of Directors. This plan affects the continuity in office of two independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director) and Mr. Roger Maxwell Cooke (independent Director), proposing a staggered renewal that will be carried

out by coordinating the principles of representativeness with those of diversity and independence. In this way, **the Board has the objective of complying with recommendation 15 of the CBG in 2024** and all the directors, who share this objective, have personally assumed the commitment to adopt as many measures as necessary or convenient to facilitate this. In particular, it is envisaged that in 2024, Mr. Alec Emmott will complete his term of office. Alec Emmott will end his connection as a director of the Company, thus facilitating compliance with the 40% quota of women next year, and Mr. Roger Cooke will do so in 2025, also facilitating the staggered renewal of the Board, but guaranteeing, at all times, the appropriate stability in the composition of the Board of Directors and its Committees in order to maintain the suitability of the Board as a whole and preserve the experience and knowledge of those who have been serving as directors.

2. CANDIDATE'S ASSESSMENT

Below is the Board's assessment of the competence, experience and merits of Mr. Alec Emmott and his suitability to perform his duties as independent director of the Company, in view of the motivated proposal issued by the Appointments, Remuneration and Sustainability Committee of the Company at its meeting held on 23 February 2023.

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

a. Biographical and professional profile

Mr. Alec Emmott has ample experience in the real estate sector, both with regards to listed and non-listed companies- in Europe, and is based in Paris. He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012.

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

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

b. Membership of other Boards of Directors of listed companies

Mr. Alec Emmott is member of the Board of Directors of the listed company VITURA, S.A. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations, pursuant to which the Company's directors may belong to maximum four Boards of Directors of other listed companies in regulated markets (other than the Company) in Spain or abroad.

In keeping with the provisions of the Annual Corporate Governance Report approved by

the Board of Directors at its meeting held on 24 February 2023, Mr. Alec Emmott does not perform any additional remunerated activities on a regular basis, of any nature whatsoever, other than those indicated above.

c. Quality of his work and involvement

Mr. Alec Emmott was appointed director of Lar España, under the category of independent director, in 2014 and he was subsequently re-elected as such in 2017 and 2020. Moreover, he is currently a member of the Company's Appointments, Remuneration and Sustainability Committee.

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remuneration and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competencies. In this context, at the beginning of 2023, a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Alec Emmott is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, participation in other board of directors and investments and shareholders knowledge; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board of Directors as a collegiate body.

Likewise, the Board of Directors appreciates the extensive professional track-record of Mr. Emmott and his accredited experience and knowledge of the real estate industry in Europe, both with regards to listed and non-listed companies, with a thorough understanding of ESG matters, and considers that Mr. Emmott has the knowledge and experience required for the appropriate performance of his duties as director of the Company.

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

d. Holdings in the Company

According to the information disclosed to the Company, Mr. Alec Emmott holds 1,155 shares in the Company, which are representative of 0.001% of the share capital.

e. Director's category

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

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments, Remuneration and Sustainability Committee's proposal and issues a favourable report on the re-election of Mr. Alec Emmott as director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that Mr. Emmott will give continuity to the management of the Company and its group carried out to date, and without prejudice to the envisaged orderly renewal of the Council in accordance with the terms described in the introduction to this report.

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

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

Madrid, February 24, 2023.

ANNEX

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

1. INTRODUCTION

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

2. PROPOSAL'S JUSTIFICATION

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

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

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

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2022 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

In this regard, it should also be noted that the Committee has placed special emphasis on being able to comply with recommendation 15 of the Good Corporate Governance Code for Listed Companies ("CBG") approved by the National Securities Market Commission and has been working together with the Board towards this goal. In fact, already in 2022, at the Commission's proposal, the Company went from having 29% women on the Board to the current 33.3%, when the size of the Board was reduced. In the same vein, the Committee proposed to the Board the implementation of a plan for the orderly and staggered renewal of the Board, so that in the short term (2024), the 40% quota of women on the Board is fully complied with. This plan affects the tenure of the independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director), Mr. Roger Maxwell Cooke (independent Director) and Mr. José Luis del Valle (independent Chairman), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence.

Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019 and, as provided in article 5 of the Regulations of the Appointments, Remuneration and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competences. In this context, at the beginning of 2023, an updated matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each directors, attached to this report as an **Annex**. As a consequence of such analysis, it is concluded that Mr. Alec Emmott is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, participation in other board of directors and investments and shareholders knowledge; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a collegiate body.

On a separate note, the Appointments, Remuneration and Sustainability Committee has analysed the other offices in which Mr. Emmott serves. Mr. Emmott is member of the Board of Directors of the listed company VITURA, S.A. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations.

The Committee has also evaluated the director's independence and considers that Mr. Emmott is not involved in any situation that prevent him from performing his duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

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

The full text of the proposed resolution is the following:

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

ANNEX

COMPETENCY MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Diversity						
Gender (Women 33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Nationality Spanish (66,7%) British (33,3%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Seniority on the board (First appointment)	05/02/2014	05/02/2014	05/02/2014	29/05/2017	16/10/2018	05/02/2014
< 5 years (33,3%)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
6-9 years (66,7%)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
10-12 years (0%)						
> 12 years (0%)						
Academic background						
Engineering	<input checked="" type="checkbox"/>					
Real Estate		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Architecture and Urban Planning				<input checked="" type="checkbox"/>		
Business and Economics					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal / tax						<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"/>	<input checked="" type="checkbox"/>
Skills and experience						
Sector:		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Real Estate / Retail /Valuations						
Technical Sector:						
Architecture / Urban Planning / Engineering	<input checked="" type="checkbox"/>			<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 markets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance	<input checked="" type="checkbox"/>	<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"/>		<input checked="" type="checkbox"/>	
Management experience						
Other boards of listed companies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	



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

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Investors' knowledge / Other stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team and talent management / Remuneration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Functions of the Chief Executive / CEO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*ACA: Audit and Control Committee

**ARSC: Appointments, Remuneration and Sustainability Committee



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

Madrid, February 24, 2023



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

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

I. INTRODUCTION AND REPORT OBJECT.

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 article 286 of the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July ("LSC"), which establishes as a requirement for the amendment of the Company's Articles of Association, that the directors draw up the full text of the proposed amendment as well as the supporting Report with the reasons for such amendments.

To that effect, the Board of Directors of the Company has drawn up this Report justifying the proposed amendment of the Company's Articles of Association to be submitted for approval to the next Ordinary General Shareholders' Meeting to be held on March 30, 2023, at first call, and on March 31, 2023, at second call.

II. JUSTIFICATION FOR THE PROPOSED AMENDMENT.

The Board of Directors of Lar España, based on the proposal of the Audit and Control Committee issued within the framework of its powers of periodic review of the Company's internal corporate governance regulations, has considered appropriate to submit to the General Shareholders' Meeting the amendment of the current rules of the Company's Articles of Association regarding the persons who may hold the positions of Secretary of the Audit and Control Committee and of the Nominating, Compensation and Sustainability Committee.

In this regard, it is proposed to modify the current system that establishes that the Secretary of the Board Committees shall be the Secretary of the Board of Directors, providing instead that "*The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Vice-Secretary. The Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions*". This is intended to provide the Company's Secretariat with greater flexibility from an organizational and operational perspective, considering, among other issues, the growing number of meetings and responsibilities of both the Committees and the Board itself.

Likewise, it is also considered advisable to expressly provide in the Company's Articles of Association for the possibility of the aforementioned Committees having a Vice-Secretary, when the Board deems it appropriate, a position that may be held by the same persons indicated above with respect to the Secretary.

In this context, and within the framework of the aforementioned amendment, it is proposed to complete the provision relating to the appointment of the Chairmen of the two Board Committees, specifying that they shall be elected from among the "independent" Directors who are members

of their respective Committees, in accordance with the provisions of Articles 529 quaterdecies.2 and 529 quidecies.1 of the LSC.

Pursuant to the foregoing, the Board of Directors of the Company proposes the amendment of Articles 42 ("Audit and Control Committee. Composition, authority and functioning") and 43 ("Appointments, Remuneration and Sustainability Committee") of the Company's Articles of Association in the following terms:

○ **Amendment of Article 42 ("Audit and Control Committee. Composition, authority and functioning"):**

It is proposed to replace the current provision regarding the position of Secretary of the Committee ("The position of Secretary of the Audit and Control Committee will be filled by the Secretary of the Board of Directors") with the following: "The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Vice-Secretary. The Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions".

On the other hand, it is proposed to incorporate the term "*independent*" with respect to the Chairman of the Audit and Control Committee, being the provision worded as follows: "*The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof*".

Likewise, it is proposed that all the provisions relating to the positions of the Committee be included in a new paragraph 2 of this Article 42.

○ **Amendment of Article 43 ("Appointments, Remuneration and Sustainability"):**

It is proposed to replace the current provision regarding the position of Secretary of the Committee ("The position of Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors") with the following: "The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Vice-Secretary. The Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions".

On the other hand, it is proposed to incorporate the term "*independent*" with respect to the Chairman of the Nominating, Compensation and Sustainability Committee, the provision being worded as follows: "*The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof*".

Likewise, it is proposed that all the provisions relating to the offices of the Committee be incorporated in a new paragraph 2 of this Article 43.



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III. SEPARATE VOTES BY SUBJECT.

In relation to the proposed amendment of the Company's Articles of Association submitted for approval by the Ordinary General Meeting of Shareholders, a separate vote shall be taken on each article or group of articles that have their own autonomy, in accordance with the provisions of article 197 bis LSC.

IV. ANNEX.

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



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ANNEX

Proposed amendment to the Articles of Association of LAR ESPAÑA REAL ESTATE SOCIMI, S.A.



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Articles of Association
of
Lar España Real Estate SOCIMI, S.A.



Madrid, ~~April 27, 2022~~ 31 March, 2023



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

TITLE I. NAME, PURPOSE, TERM AND REGISTERED ADDRESS

Article 1.- Registered name and applicable regulations

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



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Article 2.- Company purpose

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

Article 3.- Registered address and corporate website

1. The registered address is established at Calle María de Molina 39, Madrid, where the actual administration and management offices of the Company will be located.
2. The Board of Directors can change the company's registered address within national territory, and it may also establish, close or move commercial or administrative offices, storehouses, agencies, representations, delegations or branches in any location in Spain or abroad.
3. The Company shall have a corporate website (www.larespana.com) operating under the terms of the Spanish Companies Law, which shall be registered at the Trade Registry. This corporate website shall publish any documents that must by law be disclosed, these Articles of Association and any other internal rules, in addition to any information



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deemed appropriate to be made available to shareholders and investors through this medium.

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

Article 4.- Term

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

TITLE II. SHARE CAPITAL AND SHARES

Article 5.- Share capital and shares

The share capital is ONE HUNDRED AND SIXTY-SEVEN MILLION, THREE HUNDRED AND EIGHTY-FIVE THOUSAND AND NINE HUNDRED AND THIRTY-EIGHT EUROS (€167,385,938). It is divided into EIGHTY-THREE MILLION, SIX HUNDRED AND NINETY-TWO THOUSAND AND NINE HUNDRED AND SIXTY-NINE (83,692,969) REGISTERED SHARES with a nominal value of TWO EURO (€2) each, all of a single class and series. All the shares are fully subscribed and paid out and grant the holders thereof the same rights.

Article 6.- Representation of shares

1. The shares are represented by book entries and are constituted as such in virtue of the record made thereof in the relevant accounting book. They shall be governed by applicable regulations in relation to securities markets.
2. The legal standing to exercise shareholder rights is obtained by entry in the accounting records, which presumes legitimate ownership and qualifies the registered holder to demand that the Company recognise him/her as a shareholder. Said legal standing may be proved by showing the relevant certificates issued by the entity in charge of performing the relevant book-keeping.
3. If the Company provides any benefits in favour of parties appearing as shareholders according to the accounting records, it shall be released from the corresponding obligation,

even if such party is not the actual holder of the share, provided that the action is performed in good faith and without gross negligence.

4. In the hypothetical case that the person appearing as the holder in the accounting records holds such legal standing as a trustee or in their capacity as a financial broker acting on behalf of its clients or by any other status or condition of a similar meaning, the Company or a third party appointed by it will have the right to obtain at any time, from the central securities depository the information set forth by law required that allows to determine the identity of its shareholders, in order to communicate directly with them in order to facilitate the exercise of their rights and their involvement in the Company. Likewise, in the event that the entity or person entitled as a shareholder by virtue of the accounting



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record of shares is an intermediary institution that guards those shares on behalf of the beneficial owners or another intermediary institution, the Company or a third party designated by it, may request the identification of the beneficial owners directly from the intermediary institution or request it indirectly through the central securities depository, all under the terms provided by Law.

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

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

Article 8.- Additional benefits

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

1. Shareholders of significant interests
 - a) Any shareholder that (i) holds a percentage of the Company's shares that is equal to or greater than 5% of the share capital or the percentage set forth in article 9.2 of the SOCIMI Act or any regulation that replaces it, for the Company to accrue the special corporate tax rate (the "**Significant Interest**"), or (ii) acquires shares that, along with those already held, enable the party to reach a Significant Interest in the Company's capital, must notify the Board of Directors of this circumstance.
 - b) Likewise, any shareholder that has reached this Significant Interest in the Company's share capital must notify the Board of Directors of any subsequent acquisition, regardless of the number of shares acquired.
 - c) Any party that holds the economic rights to Company shares must also serve notification as set forth in paragraphs a) and b) above, including in all cases, indirect holders of Company shares through financial brokers that are formally



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qualified as shareholders in virtue of the accounting records but act on behalf of said holders.

- d) Along with the notification set forth in the preceding paragraphs, the shareholder or holder of the economic rights concerned must furnish the Company's Secretary of the Board:
- (i) A certificate of residence for the purposes of personal income tax, issued by the competent authorities in such party's country of residence. In cases in which the shareholder resides in a country with which Spain has entered into a treaty to avoid double taxation levied on income, the certificate of residence must meet the characteristics set forth under the relevant treaty for the benefits to be applicable.
 - (ii) A certificate issued by a person with sufficient power of attorney accrediting the tax rate to which the dividend paid out by the Company is subject for the shareholder, along with a declaration stating that the listed shareholder is the actual beneficiary of said dividend.

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

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

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

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

2. Shareholders subject to special rules

- a) Any shareholder that, as an investor, is subject in their jurisdiction of origin to



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any kind of special legal framework in relation to pension funds or benefits plans must inform the Board of Directors of such circumstance.

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

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

- e) Without prejudice to the obligations regulated here in article 8.2, the Company shall supervise the acquisitions and transfers of shares made and shall take any measures appropriate to prevent any loss or damage that could arise for the Company or its shareholders through the application of legislation in force on pension funds or benefits plans to which they may be subject in their respective jurisdictions.
- f) For all intents and purposes, transfers of Company shares through inter vivos or mortis causa acts (including, therefore, this additional benefit) shall be authorised.

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

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



Article 10.– Transfer of shares

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

Article 11.- Uncalled capital

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

TITLE III. CAPITAL INCREASE AND DECREASE

Article 12.– Capital increase

The share capital can be increased by a resolution of the General Shareholders' Meeting, with the requirements established under applicable regulations and in accordance with the methods authorised under such regulations. An increase may be performed by issuing new shares or by increasing the nominal value of the existing ones, and the exchange value of the increase may consist in monetary or non-monetary contributions to the company's assets, including offsetting credits with the Company or converting reserves into share capital. The increase can be effected partially by means of new contributions and partially charged to reserves.

Article 13.– Authorised capital

1. The General Shareholders' Meeting, following the requirements established for amendment of the Articles of Association and within the limits and conditions set under applicable regulations, may authorise the Board of Directors, with substitution powers if applicable, to decide upon one or more capital increases. When the General Shareholders' Meeting delegates this power to the Board of Directors, it can also authorise the latter to exclude the pre-emptive subscription right regarding the issuance of the shares that are subject to delegation in the terms and following the requirements established under applicable regulations.
2. The General Shareholders' Meeting can also delegate the power to implement the



previously adopted capital increase resolution to the Board of Directors, with substitution powers if applicable, within the deadlines set forth under applicable regulations, stating the date or dates for formalisation thereof and establishing any conditions for the increase that were not set forth by the General Shareholders' Meeting. The Board of Directors may use all or part of such delegation power, or may even refrain from performing it, in light of market conditions, the Company itself or any particularly relevant fact or event that, in such party's opinion, justifies such decision, reporting such at the first General Shareholders' Meeting held after the deadline granted for such formalisation has expired.

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

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

Article 15.– Capital reduction

1. Pursuant to the procedures set forth by law, capital reductions can be effected by reducing the nominal value of the shares, amortising them or grouping them in order to exchange them and, in all cases, the purpose can be to refund contributions, write off uncalled capital, set up or increase reserves, re-establish the balance between the Company's share capital and net equity, which has dropped as a result of losses, or a combination of several such purposes.
2. In the case of capital reductions in order to refund the value of the contributions, shareholders may be paid fully or partially in kind, provided that the conditions set forth in article 46.6 herein below are met.
3. The General Shareholders' Meeting may resolve, pursuant to the terms of applicable regulations, to reduce the share capital in order to amortise a certain group of shares, provided that said group is defined under substantive, homogeneous, objective and nondiscriminatory criteria. In this case, the measure must be approved by the majority of the shares belonging to shareholders pertaining to the affected group and by the majority of the shares of the other shareholders in the Company. The amount to be paid by the Company can be no less than the arithmetical mean of the closing prices of the



Company's shares in the Continuous Market of the Securities Market during the month prior to the date upon which the resolution to reduce the share capital is adopted.

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

TITLE IV. BONDS AND OTHER SECURITIES

Article 16– Bond issuance

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

Article 17.– Convertible and exchangeable bonds

1. Convertible and/or exchangeable bonds can be issued at fixed (determined or determinable), floating or mixed rates.
2. The issuance resolution shall stipulate whether the conversion or exchange power corresponds to the holder and/or to the Company or, where appropriate, the conversion or exchange is to take place necessarily at a specific time.
3. The terms of article 14 herein above shall apply as regards the pre-emptive subscription right and exclusion thereof of Company shareholders in relation to issuance of bonds convertible into Company shares.

Article 18.– Other securities

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



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4. With a prior resolution by the General Shareholders' Meeting or, by delegation, by the Board of Directors, the Company can also secure securities issued by its subsidiaries.

TITLE V. COMPANY FRAMEWORK AND ADMINISTRATION

Article 19.– Governing bodies

1. The governing bodies of the Company are the General Shareholders' Meeting and the Board of Directors, which shall have the powers assigned to them respectively herein and such powers may be delegated in the manner and to the extent stipulated herein.
2. The powers that are not attributed to the General Shareholders' Meeting by law, the Articles of Association or the Regulations of the General Meeting of Shareholders shall correspond to the Board of Directors.

SECTION I. GENERAL SHAREHOLDERS' MEETING

Article 20.– General Shareholders' Meeting

1. The General Shareholders' Meeting, when duly convened and constituted shall represent all the shareholders, and all the shareholders shall be subject to its decisions in relation to the matters pertinent to its powers, including shareholders in disagreement or not present at the meeting, without prejudice to their right to challenge such decisions, as set forth by law.
2. The General Shareholders' Meeting shall be governed by the terms of applicable regulations, the Articles of Association, the General Shareholders' Meeting Regulations that complement and implement the terms of law and articles of association in relation to meeting announcements and preparation, how they are held and conducted, and the exercise of disclosure, attendance, representation and voting rights of shareholders, as well as in such other implementing rules as may be adopted by the Board of Directors with the scope of its powers. The General Shareholders' Meeting Regulations must be approved by the General Meeting.

Article 21.– Kinds of General Meetings of shareholders

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

Article 22.– Call of General Meetings of shareholders



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

on the agenda by the Board of Directors. In this case, the General Meeting must be called to be held within the term contemplated in applicable regulations.

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

Article 23.– Meeting place and time

1. General Shareholders' Meetings shall take place in the place indicated in the announcement within the municipality where the Company's registered address is located.



2. The General Shareholders' Meeting can agree to prorogue the meeting for one or more consecutive days at the request of the directors or of a number of shareholders in agreement representing at least one fourth of the attending share capital. Regardless of the number of sessions, the General Shareholders' Meeting shall be considered a single unit, and a single minutes record shall be taken for all the sessions.
3. The General Shareholders' Meeting can also temporarily be suspended in the cases and in the manner set forth in its Regulations.

Article 24.– Constitution

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

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

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

Article 26.– Equal treatment

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

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

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

1. The Company shareholders shall be entitled to attend General Shareholders' Meetings, regardless of the number of shares they hold, provided that they are registered in its name in the relevant book-entry register at least five days before the General Meeting of Shareholders is to be held.
2. The attendance, representation and disclosure rights of the shareholders in relation to the General Meeting shall be governed by the regulations applicable to the Company at any given time and by the terms of the General Shareholders' Meeting Regulations.



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

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

1. Shareholders with the right to attend meetings can issue absentee votes prior to the General Meeting on the proposals made in relation to the points on the meeting agenda, regardless of the General Meeting type, as well as grant their representation, by post, electronic or by any other remote communication means established, where applicable, by the Board of Directors that duly guarantees the identity of the shareholders exercising or delegating their voting rights and, where appropriate, the security of electronic communications, as a result of the announcement of each General Shareholders' Meeting, in accordance with the terms of the General Shareholders' Meeting Regulations.
2. Votes issued and representation granted by remote communication means shall only be valid when received by the Company before midnight on the date immediately prior to the scheduled date for the first session of the General Shareholders' Meeting to be held. Otherwise, the vote shall be deemed as not issued and delegation as not granted.
3. The Board of Directors, pursuant to the terms of the General Shareholders' Meeting Regulations, may implement the preceding provisions, establishing rules, means and procedures in line with the state of the art to implement the issuance of votes and granting representation status by remote communication methods, complying, in such case, with applicable rules in this regard. In particular, the Board of Directors may reduce the period of notice set forth in the preceding paragraph for the receipt by the Company of votes issued and delegations granted. The implementation rules adopted in accordance with the terms herein shall be published on the Company's website.
4. If a shareholder attends a General Shareholders' Meeting in person, either physically or telematically, the vote issued or the representation granted by post, electronic or other remote communication means shall be rendered null and void.
5. Shareholders entitled to attend who issue their votes by absentee ballot in accordance with the terms in this article herein shall be considered present for the purposes of constituting the relevant General Shareholders' Meeting. Consequently, delegations issued earlier shall be deemed to have been revoked and those issued later shall be deemed not to have been made.

Article 29.– Chairing General Shareholder's Meeting

The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors, who shall be assisted by a Secretary, which shall be the Secretary of the Board of Directors. In



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absence of such parties, the terms of the substitution system set forth under the General Shareholders' Meeting Regulations shall apply.

Article 30.– Deliberation and adaptation of resolutions

1. The Chairman shall submit the issues included in the meeting agenda and, where appropriate, any matters not included in the agenda that may have been submitted in accordance with the Law for deliberation by the shareholders at the General Meeting. To this end, such party shall be authorised to call the meeting to order and impose discipline so that the meeting can be held in an orderly fashion.
2. Once each issue has been sufficiently debated, the Chairman shall put it up for a vote. The Chairman shall be responsible for establishing the voting system deemed most appropriate and for leading the relevant procedure, complying, where applicable, with the implementation rules set forth in the General Shareholders' Meeting Regulations.
3. Each share with the right to vote that is present or represented at the General Shareholders' Meeting shall be entitled to one vote.
4. Resolutions of the General Meeting shall be adopted when there is a vote in favour by the simple majority of the votes of the shareholders present or represented at the General Shareholders' Meeting. The cases set forth in applicable regulations or herein that require a different majority for resolutions to be adopted are not included.

Article 31.– General Shareholders' Meeting Minutes

1. The minutes certificate of the General Shareholders' Meeting shall be approved in any of the manners set forth under the regulations applicable to the Company at any time, and shall be enforceable as of the date of approval thereof.
2. The Board of Directors can require that a notary be present to certify the resolutions of the General Shareholders' Meeting and it must do so whenever shareholders representing at least 1% of the share capital make such a request five days in advance of the meeting date. In both cases, the instrument certified by the notary shall not require approval and shall have the legal standing of General Shareholders' Meeting Minutes.

SECTION II.- THE ADMINISTRATIVE BODY

Article 32.– Board of Directors

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

Article 33.– Powers of the Board of Directors

1. The Board of Directors is authorised to adopt resolutions regarding all manner of issues that are not attributed to the General Shareholders' Meeting in accordance with



applicable regulations, these Articles of Association or the General Shareholders' Meeting Regulations.

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

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

Article 34.– Composition of the Board of Directors

1. The Board of Directors shall be composed of no less than five members or, at the most, fifteen.
2. The General Shareholders' Meeting shall be responsible for establishing the number of board members. For these purposes, it shall act directly by establishing said number under an express resolution or indirectly, by filling vacancies or appointing new board members within the maximum limit established herein above.
3. The Board of Directors, in the course of exercising its power to make proposals to the General Shareholders' Meeting and co-opting in filling vacant positions, must endeavour, to the extent possible, to ensure that, in the composition of the Board, external or non-executive board members hold a majority over the executive members, endeavouring to make the number of independent board members represent one third of all the members

of the Board of Directors. Furthermore, the number of executive board members must be the minimum necessary, taking into account the complexity of the corporate group and the interests of executive board members in the Company's capital.

4. The General Shareholders' Meeting and the Board of Directors shall endeavour to comply with the principle of a balanced presence of men and women in the composition of the Board of Directors.
5. The different categories of board members shall be defined as established in the regulations in force or, in absence of such, according to recommendations for good corporate governance applicable to the Company at any time.
6. The Board of Directors must explain the category of each board member to the General



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

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

Article 35.– Term of office

1. Board members shall hold office for a term of three years, at which time they may be reelected one or more times for equal terms of office.
2. The appointment of directors shall expire when, the deadline having expired, the following General Shareholders' Meeting has been held, or the statutory term for the General Shareholders' Meeting at which the approval of the previous year's financial statements must be decided upon has elapsed.
3. Board members appointed by co-opting shall hold office until the next General Shareholders' Meeting. However, if the vacancy takes place after the call of the General Shareholders' Meeting and before it is held, the Board of Directors will be able to appoint a board member, which shall hold office until the next General Shareholders' Meeting.

Article 36.– Appointment of positions on the Board of Directors

1. The Board of Directors shall appoint one of its members to act as Chairman and may have one or more Vice-Chairmen who, in accordance with the order established by the Board, shall substitute the Chairman in the event of vacancy, absence or illness. The Board shall also appoint a person to act as Secretary. In order to be appointed Chairman or Vice-Chairman, the party appointed must be a member of the Board of Directors; however, this is not the case for the party appointed to act as Secretary, in which case he will be entitled to speak but not to vote.
2. The Board of Directors may also, optionally, appoint a Vice-Secretary, which need not be a board member.

Article 37.– Representation powers

1. The power to represent the Company in and out of court shall be entrusted to the Board of Directors, which shall act jointly.
2. The Secretary and, where applicable, the Vice-Secretary, of the Board of Directors shall have the representation status needed to have the resolutions of the General Shareholders' Meetings and the Board of Directors meetings certified by a notary and submit them for registration.
3. The representation status of the delegate bodies shall be governed by the terms of the delegation resolution. Unless indicated otherwise, the representation status shall be construed as entrusted individually to the Managing Director, should such position exist,



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and in the event that an Executive Committee is set up, the Chairman thereof shall hold such status.

Article 38.– Board of Directors Meetings

1. The Board of Directors shall meet as often as deemed advisable in order to properly perform its duties and, at least, at the intervals and in the cases set forth in the Board of Directors Regulations.
2. Meeting announcements, which must always include the meeting agenda and appropriate relevant information, shall be made by the Secretary of the Board of Directors, or the party acting in the former's stead, with authorisation from the Chairman of the Board, by any means ensuring receipt thereof. Announcements shall be sent at least three days in advance.
3. Notwithstanding the foregoing, Board of Directors meetings shall be deemed as constituted in a valid manner, with no need for a prior call to the meeting, if all of its members are present or represented and they unanimously agree to hold the meeting and agree upon the issues in the agenda.
4. Likewise, if no members object, votes can be issued by the Board of Directors in writing with no meeting being held.
5. Board of Directors meetings can be held in several places that are connected to each other by systems enabling the attendees to be recognised and identified, ensuring constant communication between those present, regardless of their respective locations, and real time interventions and issuance of votes.

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

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

Article 39.– Conduct of meetings

1. There will be a valid quorum at Board meetings when majority of its members attend in person or represented by another director. The proxy will be granted in writing, necessarily in favour of another director, especially for each meeting, being notified to the Chairman of the Board by any means which provides proof of receipt. Outside directors may grant proxies only to another outside director.
2. Resolutions will be adopted by absolute majority of the directors present at the meeting in person or by proxy, (a resolution shall be deemed adopted when it receives more than half of the votes in favour from the members present or represented at the meeting) except when the law, these Articles of Association or the Board of Directors

Regulations contemplate other majorities. In the event of a tie, the Chairman will have a casting vote.

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

Article 40.– Remuneration of directors

1. The directors will be entitled to receive remuneration for performance of their duties in their capacity as such, that is, as members of the Board of Directors as a collegial decision-making body of the Company, and of the committees of which they are members, consisting of an annual fixed amount.
2. The maximum amount of annual remuneration that may be paid by the Company to all of its directors in their capacity as such in accordance with the provisions of sections 1 and 5 of this article will not exceed the amount determined for that purpose by the General Meeting of shareholders through the remuneration policy of directors. The amount so fixed by the Meeting will be maintained until modified by a new resolution of the General Meeting of shareholders, in accordance with the provisions of applicable legislation.

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

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

Company, which must be approved by the Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, with the legally required majority, in accordance with the provisions of the remuneration policy of directors approved by the General Shareholders' Meeting.

4. The Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, is responsible for setting the individual remuneration of each director, within the framework of the Law and of the remuneration policy for directors, and in accordance with the provisions of their contract, for performance of their executive duties conferred.



5. In addition to the remuneration scheme contemplated in the foregoing sections, the directors will be entitled to be compensated by way of the delivery of shares, or by delivery of option rights on shares or by remuneration indexed to the value of shares, provided that the application of any such remuneration scheme is previously resolved by the General Meeting of shareholders. That resolution, if applicable, will determine the maximum number of shares that may be assigned in each year to this system of remuneration, the exercise price or the system for calculation of the exercise price of stock options, the value of the shares, if any, taken as a reference and the term of the plan.
6. The director remuneration policy will be adjusted as applicable to the remuneration scheme contemplated in these Articles, will be of the legally-contemplated scope and will be submitted by the Board of Directors for approval of the General Meeting of shareholders with the frequency established by law.
7. In addition, all board members will receive appropriate compensation for their travel expenses arising from attendance at meetings of the Board of Directors and the committees to which they belong.
8. The Company shall take out civil liability insurance for its directors.

SECTION III.- DELEGATE AND ADVISORY BODIES OF THE BOARD OF DIRECTORS

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

1. Without prejudice to the powers of attorney that may be granted to any party, the Board of Directors can set up a permanent Executive Committee composed of at least three and at most seven members, and it may also appoint a Managing Director at the proposal of the Chairman of the Board of Directors; any and all powers that can be delegated in accordance with applicable regulations can be delegated, in full or partially, to such parties temporarily or permanently. The delegation and appointment of members of the Board of Directors to hold such positions shall require a vote in favour by two thirds of the members of the Board of Directors in order to become valid and shall not take effect until entered at the Trade Registry.
2. The Board must set up an Audit and Control Committee and an Appointments, Remuneration and Sustainability Committee with disclosure, supervision, advisory and proposal powers in relation to their spheres of authority, as specified herein and implemented in the Board of Directors Regulations and, where appropriate, in their own Regulations.
3. Likewise, the Board may set up other committees with consulting or advisory duties.

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

1. The Board of Directors will establish a permanent Audit and Control Committee which will be composed of at least three and at most five directors, appointed by the Board of

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

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

2. The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof.

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

The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Vice-Secretary. The Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

- a. Reporting to the General Meeting of shareholders regarding questions posed by shareholders that fall within the scope of its authority and, in particular, with regards to the outcome of the auditing, explaining how it has contributed to the integrity of the financial information and the duties performed by the Committee during this process.
- b. Supervising the effectiveness of internal control of the Company and its Group, the activity of the Company's internal audit function and its risk management systems, financial and non-financial, as well as, discussing with the statutory auditors, analysing significant weaknesses of the internal control system detected during conduct of the audit, without undermining its independence. To this effect,

and where applicable, shall submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.

- c. Supervising and evaluating the process of preparation and presentation of the

mandatory financial and non-financial information, and present recommendations and proposals to the Board of Directors, directed at safeguarding its independence.

- d. Submit to the Board of Directors for submission to the General Meeting of shareholders the proposals for selection, appointment, re-election and replacement of auditors, being responsible for the appointment process, in accordance with applicable legislation, as well as the contracting conditions and receive regular information from them on the audit plan and on its implementation and preserve his independence in the performance of its duties.
- e. Establishing appropriate relationships with the statutory auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may pose a risk to their independence and any other matters relating to the audit process and, where appropriate, the authorisation of any of the services different from the prohibited services, in accordance with the applicable law, as well as any other communications provided for in audit legislation and other audit regulations. In any event, on an annual basis the Committee must receive from the statutory auditors written declaration of their independence in relation with the Company or entities directly or indirectly related to it, in addition to individualised and detailed information on additional services of any kind rendered to and the fees received from these entities by the aforementioned external auditor, or persons or entities related to him, as provided in the audit legislation.
- f. Issuing annually, prior to the audit report, a report containing an opinion on whether or not the independence of the auditors or auditing companies is compromised. This report must, in all cases, contain the reasoned evaluation of the provision of each of the additional services mentioned in the section above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.
- g. Inform about related transactions to be approved by the General Shareholders' Meeting or the Board of Directors and supervise the internal procedure established by the Company for those related transactions which approval has been delegated by the Board of Directors in accordance with the applicable regulations.
- h. Reporting, prior to the Board of Directors meetings, on all matters contemplated in the law, the Articles of Association and the Board of Directors Regulations, in particular regarding: (i) the financial information and the management report, including, where appropriate, the required non-financial information that the Company is to publish periodically; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories that are

considered to be tax havens; and (iii) the economic conditions and their impact

on the accounts and, where appropriate, the exchange rate applicable in corporate restructuring transactions performed by the Company.

- i. Supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct.
- j. Supervising the calculation of the fees received by the Management Company for performance of its duties.
- k. Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.
- l. Any others given to it by the Board of Directors in its corresponding Regulations.

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

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

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

Article 43.– Appointments, Remuneration and Sustainability Committee

1. The Board of Directors will constitute a permanent Appointments, Remuneration Sustainability Committee, an internal body of an informational and advisory nature, with no executive functions, with rights of information, advice and proposal within the scope of its authority as indicated in section ~~23~~ of this article. The Appointments, Remuneration and Sustainability Committee will be composed of at least three and at most five directors, appointed by the Board of Directors from among the outside directors, on proposal of the Chairman of the Board. The majority of the members of the Appointments and Remuneration Committee will be independent directors. ~~The Board of Directors also will appoint one of the members of that Committee to act as the Chairman thereof. The position of Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors.~~

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

The directors that are a part of the Appointments, Remuneration and Sustainability Committee will remain in that office for so long as their appointments as directors of the Company remain in effect, unless the Board of Directors resolves otherwise. Renewal,

re-election and removal of the directors comprising the Committee will be governed by resolutions of the Board of Directors

2. The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof.

The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Vice-Secretary. The Secretary of the Board, its Vice-Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

- a. Evaluating the skills, knowledge and experience required on the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.
- b. Establishing a goal for representation of women on the Board of Directors, and developing guidance on how to achieve that goal.
- c. Making proposals to the Board of Directors of independent directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for re-election or removal of those directors by the general shareholders meeting.
- d. Reporting on proposals for the appointment of the other directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders,
and proposals for their re-election or removal by the General Meeting of shareholders.
- e. Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.
- f. Examining and organising the succession of the chairman of the Board of Directors and the chief executive of the Company and, if appropriate, making proposals to the Board of Directors so that that succession will occur in an orderly and planned manner.
- g. Proposing to the Board of Directors the remuneration policy for directors and general managers or those performing senior management functions under the direct supervision of the Board, Executive Committee or Managing Director, as well as the individual remuneration and other contractual conditions of inside directors, ensuring compliance therewith.



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

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

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

TITLE VII. FINANCIAL STATEMENTS AND PROFIT-SHARING

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

1. The financial year shall begin on 1 January each year and end on 31 December.
2. The financial statement and management report shall be prepared in accordance with the structure, principles and indications contained in the provisions in force.
3. Within the first three months of the year, the Board of Directors shall prepare the financial statements, management report, including where appropriate the non-financial information statement and proposal for application of profit and, where appropriate, the consolidated financial statement and management report. The financial statement and management report, including where appropriate the non-financial information statement must be signed by all the board members. If the signature of any such parties is missing, this shall be noted in each of the documents lacking the signature, expressly indicating the reason for such absence.

Article 45.– Accounts auditors

1. The Company's financial statement and management report, as well as the consolidated financial statement and management report, must be reviewed by accounts auditors.
2. The accounts auditors shall be appointed by the General Shareholders' Meeting prior to the end of the period to be audited, for a specific initial period that must be no less than three years nor longer than nine, starting from the date on which the first period to be audited begins, and they may be re-elected by the General Shareholders' Meeting in accordance with the terms set forth by law, once the initial period has elapsed.
3. The accounts auditors shall prepare a detailed report on the outcome of their activities, pursuant to accounts auditing legislation.

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

1. The Company's financial statements and consolidated financial statements shall be submitted to the General Shareholders' Meeting for approval.
2. The General Shareholders' Meeting shall decide upon the application of profit for the year in accordance with the approved statement of financial position.



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

Article 47.– Approval of financial statements and application of profits

1. Right to receive dividends. Any parties listed as legitimate holders in the accounting records of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal (Iberclear)* at 11:59 pm on the date on which the General Shareholders' Meeting or, where appropriate, the Board of Directors meeting, has decided upon the distribution shall be entitled to receive the dividend.
2. Enforceability of the dividend. Unless there is an agreement otherwise, the dividend shall be enforceable and payable 30 days after the date of the decision adopted by the General Meeting or, where appropriate, that on which the Board of Directors has agreed to the distribution.
3. Compensation. In the event that the distribution of a dividend gives rise to the obligation for the Company to pay the special tax set forth in article 9.2 of the SOCIMI Act, or the regulation replacing it, the Company's Board of Directors can demand that the shareholders leading such tax to be levied compensate the Company.

The sum of this compensation shall be equal to the Company Income Tax expense derived for the Company from the dividend payment, which is the taxable base for the accrual of the special tax, plus the amount, after deducting the income tax levied on the total compensation amount, that compensates for the expense derived from the special tax and the relevant compensation.



The compensation amount shall be calculated by the Board of Directors, notwithstanding the permission that may be granted to delegate such calculation to one or more board members. Unless there is an agreement otherwise by the Board of Directors, the compensation shall be enforceable on the day prior to payment of the dividend. By way of an example, the compensation has been calculated below for two different cases, showing that the compensation has no effect whatsoever on the Company's income statement in either case:

- a) Assuming a gross dividend of 100, a special Company Income Tax of 19% and a Company Income Tax of 0 % for income attained by the Company, the compensation would be calculated as follows: Dividend: 100

$$\text{Special tax: } 100 \times 19 \% = 19$$

$$\text{Special Company Income Tax expense ("GISge")}: 19$$

$$\text{Compensation ("I")}: 19$$

$$\text{Taxable CIT base for the compensation ("BI")}: 19$$

$$\text{CIT expense related to the compensation ("GISi")}: 0$$

$$\text{Effect on the company: } I - \text{GISge} - \text{GISi} = 19 - 19 - 0 = 0$$

- b) Assuming a gross dividend of 100, a special Company Income Tax of 19% and a Company Income Tax of 10 % for income attained by the Company, the compensation, rounded to the nearest cent, would be calculated as follows:

$$\text{Dividend: } 100$$

$$\text{Special tax: } 100 \times 19\% = 19$$

$$\text{Special Company Income Tax expense ("GISge")}: 19 \quad \text{Compensation}$$

$$\text{("I")}: 19 + 19 \cdot 10\% = 21,1119$$

$$\text{Taxable CIT base for the compensation ("BI")}: 21.11 \quad \text{CIT}$$
$$\text{expense related to the compensation ("GISi")}: 21.11 \times 10\% = 2.11$$

$$\text{Effect on the company: } I - \text{GISge} - \text{GISi} = 21.11 - 19 - 2.11 = 0$$

4. Right to compensation. The compensation shall be deducted from the dividend to be paid to the shareholder causing the obligation to pay the special tax.
5. Withholding right due to breach of Additional Benefits. In the event that the dividend is paid before the deadlines stipulated for compliance with the additional benefit, the

Company can withhold from any shareholders or holders of economic rights to



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Company shares, an amount equal to the sum of the compensation that such party may, potentially, be required to pay if they have not yet furnished the information and documents required under article 8.1 herein above. Once the additional benefit has been met, the Company shall refund the amounts withheld from shareholders that are not required to compensate the Company.

Likewise, if the additional benefit is not met within the established deadlines, the Company can also withhold payment of the dividend and offset the amount withheld with the compensation sum, paying the shareholder the remaining difference, should there be any.

6. Other rules. In any cases in which the total amount of the compensation gives rise to losses for the Company, the Board of Directors can demand a lesser sum, calculated in accordance with the terms of paragraph 3 herein.

Article 48.– Deposit of approved Financial Statements

The Board of Directors shall submit the Company's financial statements and management reports, as well as any consolidated financial statements and management reports, to the Trade Registry within the jurisdiction of its registered address, along with the relevant financial statement audit reports and other statutory documents, in the terms and within the deadlines set forth by law for such deposit in the said Registry.

TITLE VIII.- DISSOLUTION AND LIQUIDATION

Article 49.– Causes of dissolution

The Company shall be dissolved:

- a) By a decision at a General Shareholders' Meeting expressly called to such end and adopted pursuant to the terms set forth herein; and
- b) In any other cases established under applicable regulations.

Article 50.– Liquidation

1. Once the Company has been dissolved, the liquidation period shall commence, except in the cases of merger or a complete spin-off or any other transfer of all the assets and liabilities as a whole.
2. At the same General Shareholders' Meeting at which the decision to dissolve the Company was adopted, the grounds for liquidation shall be established, and such process shall be implemented by the number of liquidators appointed for such purpose by the General Shareholders' Meeting.
3. From the time that the Company declares liquidation, the Board of Directors' power to represent the Company in entering into new contracts or creating new obligations shall

expire, and the liquidators shall take on all the duties attributed to them under applicable regulations.



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4. In relation to the course of the liquidation, division of the company's assets and cancellation at the relevant Registry, the terms of applicable regulations shall apply.
5. The General Shareholders' Meeting shall maintain the same powers it held during the Company's ordinary course of business throughout the liquidation period and it shall be specially authorised to approve the liquidation financial statement and final liquidation statement of financial position.

Article 51.– Ensuing assets and liabilities

1. Once the registry entries related to the Company have been cancelled, should the Company have any assets, the liquidators must allocate the additional share corresponding to the former shareholders, after converting the assets into cash, if necessary.

If six months have elapsed since the liquidators were summoned to comply with the terms of the preceding paragraph, and the former shareholders have not been allocated their additional share, or in the absence of liquidators, any interested party can appear before a Commercial Court Judge in the jurisdiction of the latest registered company address to request a party be appointed to substitute them in the course of their duties.

2. The former shareholders shall be jointly and severally liable for outstanding company debts up to the limit of the amount they received as a liquidation share, notwithstanding the liquidators' liability in the event of negligence or fault.
3. In compliance with formal requirements in relation to legal documents prior to the cancellation of the Company's registry entries, or whenever necessary, the former liquidators can formalise legal documents on the defunct Company's behalf subsequent to the cancellation of the Company in the relevant Registry. In the absence of liquidators, any interested party can appear before a Commercial Court Judge in the jurisdiction of the latest registered company address to request that the latter formalise such documents.

Article 52.– Jurisdiction for conflict resolution

In relation to any legal issues that may arise between the Company and the shareholders as a result of company matters, both the Company and the shareholders expressly submit to the jurisdiction of the Company's registered address, waiving their rights to other jurisdictions, except in cases in which applicable regulations impose another jurisdiction.

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Report prepared by the Audit and Control Committee of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. in connection with the amendment of the Regulations of the Board of Directors, the Regulations of the Audit and Control Committee and the Regulations of the Appointments, Remuneration and Sustainability Committee.

Madrid, February 24, 2023



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Report prepared by the Audit and Control Committee of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. in connection with the amendment of the Regulations of the Board of Directors, the Regulations of the Audit and Control Committee and the Regulations of the Appointments, Remuneration and Sustainability Committee.

I. INTRODUCTION AND PURPOSE OF THE REPORT.

Article 3 of the Regulations of the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (hereinafter, "**Lar España**" or the "**Company**") establishes that the Regulations of the Board may be amended at the request of the Chairman of the Board of Directors, one third of the directors or the Audit and Control Committee, which in all cases must accompany their proposal for amendment with a report justifying the amendment, as well as a report prepared by the Audit and Control Committee, except when such proposal is made by the aforementioned Committee.

In the same sense, Articles 2.2 of the Regulations of the Audit and Control Committee and of the Regulations of the Appointments, Remuneration and Sustainability Committee provide that they shall be reviewed periodically by the Board of Directors.

In accordance with the foregoing, the Audit and Control Committee prepares this Report on the proposed amendments to the Regulations of the Board of Directors, the Regulations of the Audit and Control Committee and the Regulations of the Appointments, Remuneration and Sustainability Committee, which will be submitted to the Board of Directors for approval at its meeting on February 24, 2023.

II. JUSTIFICATIONS FOR THE MODIFICATIONS.

The Audit and Control Committee, within the framework of its powers to periodically review the Company's internal corporate governance regulations and to propose to the Board of Directors the amendments and updates that contribute to its development and continuous improvement, has considered it appropriate to propose to the Board the amendment of the Regulations of the Board of Directors and the Regulations of the Committees, regarding the persons who may hold the position of Secretary and Vice-Secretary of the Audit and Control Committee and of the Appointments, Remunerations and Sustainability Committee.

In this regard, it is proposed to modify the current system that establishes that the Secretary and Vice-Secretary of the Committees shall be the Secretary and Vice-Secretary of the Board, providing instead that "*The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties of such positions, may be appointed for such positions*". This is intended to provide the Company's Secretariat with greater flexibility from an organizational and operational perspective, considering, among other issues, the increasing number of meetings and responsibilities of both Committees and the Board itself.

On the other hand, with respect to the position of Deputy Secretary, it is also proposed that the position be optional, allowing for flexibility in the organization of the Committees according to what is most convenient at any given time.

Additionally, it is proposed to include in the Regulations of the Committees that, in the event that the Secretary and, if applicable, the Deputy Secretary of the Committee are not members of the same, they shall have the right to speak but not to vote.

In any case, the proposed amendments to the aforementioned Regulations are conditioned to the approval by the General Shareholders' Meeting of 2023 of the amendment of **Articles 42 ("Audit and Control Committee. Composition, authority and functioning")** and **43 ("Appointments, Remuneration and Sustainability Committee")** of Lar España's Articles of Association.

a) Proposed amendments to the Regulations of the Board of Directors:

○ **Amendment of Article 14 ("Audit and Control Committee. Composition, competences and functioning"):**

It is proposed to replace the current provision regarding the positions of Secretary and Vice-Secretary of this Committee (*"The position of Secretary and Deputy Secretary of the Audit and Control Committee will be held by the Secretary of the Board of Directors, and, if applicable, by the Deputy Secretary of the Board"*) by the following: *"The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions"*.

○ **Amendment of article 15 ("Appointments, Remuneration and Sustainability Committee. Composition, competences and operation"):**

It is proposed to replace the current provision regarding the positions of Secretary and Vice-Secretary of this Committee (*"The role of Secretary and the Deputy Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors and, where applicable, by the Deputy Secretary of the Board."*) by the following: *"The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions"*.

It is also proposed that all the provisions relating to the Commission's positions be incorporated into paragraph 3 of this article.

b) Proposed amendment of Article 4 ("Committee positions") of the Regulations of the Audit and Control Committee:

It is proposed to replace the current provision regarding the positions of Secretary of this Committee (*"The position of Secretary and Deputy Secretary of the Audit and Control*

Committee shall be held by the Secretary and by the Deputy Secretary of the Board of Directors”) by the following:

“The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

In the event that the Secretary and, if applicable, the Deputy Secretary of the Committee are not members of the Committee, they shall have the right to speak but not to vote”.

c) Proposed amendment of Article 4 (“Committee positions”) of the Regulations of the Appointments, Remunerations and Sustainability Committee:

It is proposed to replace the current provision regarding the positions of Secretary of this Committee (*“The position of Secretary and Deputy Secretary of the Appointments, Remuneration and Sustainability Committee shall be held by the Secretary and Deputy Secretary of the Board of Directors”) by the following:*

“The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

In the event that the Secretary and, if applicable, the Deputy Secretary of the Committee are not members of the Committee, they shall have the right to speak but not to vote”.

III. ANNEX.

In order to facilitate the comparison between the new wording of the modified articles and the wording they had prior to their modification, the following Annexes are included in this Report:

- Included as **Annex I** is the comparative text between the current Regulations of the Board of Directors and the proposed amendment thereto.
- Included as **Annex II** the comparative text between the current Audit and Control Committee Regulations and the proposed amendment thereto.
- Included as **Annex III** the comparative text between the current Regulations of the Appointments, Remunerations and Sustainability Committee and the proposed amendment thereto.



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ANNEX I

Proposed amendment of the Regulations of the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

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



Madrid, ~~17 November 2022~~ February 24, 2023



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

TITLE I. - INTRODUCTION

Article 1. Origin and purpose

1. These Regulations have been approved by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), following reporting to the General Shareholders’ Meeting, pursuant to the provisions in article 516 of the consolidated text of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Corporate Enterprises Act**”). These Regulations are intended to establish the principles for action for the Board of Directors, the basic rules of its organisation and functioning, and rules of selection, appointment, re-election and dismissal as well as the conduct rules for its



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members.

2. The conduct rules established in these Regulations for the Company directors will also apply to the Company's senior management, to the extent that they are compatible with their specific nature and the activities performed. For purposes of these Regulations, "senior management" will be defined as those managers who directly report to the Board of Directors or the Chief Executive Officer, if any, and in any case to the person in charge of the Company's internal auditing.

Article 2. Interpretation

1. These Regulations complete the regulatory regime that applies to the Board of Directors established in the regulations in force and in Articles of Association of the Company. It will be interpreted pursuant to the applicable legal and statutory regulations and the principles and recommendations on the corporate governance of listed companies established by supervisory bodies or other authorities of renowned prestige assumed by the Company.
2. The Board of Directors will be responsible for settling any doubt arisen by the application and interpretation of these Regulations in accordance with the general criteria for the interpretation of the legal provisions.

Article 3. Amendment

1. These Regulations may be amended only at the request of the Chairman of the Board of Directors, by one third of the directors or the Audit and Control Committee, and in any case the proposal for amendment must be accompanied by an explanatory report, as well as by a report prepared by the Audit and Control Committee, except when that proposal is issued by the aforementioned Committee.
2. The text of the proposal and the explanatory report of its authors must be attached to the call to the meeting of the Board that is to make a decision on it. The call to meeting must be made at least ten days in advance.
3. These Regulations must be updated whenever required to adapt their contents to the applicable provisions in force.

Article 4. Disclosure obligations

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

TITLE II. - FUNCTION OF THE BOARD



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Article 5. Competences of the Board of Directors

1. The Board of Directors is competent to adopt and pass resolutions on all sorts of matters that are not attributed to the General Shareholders' Meeting by the Articles of Association of the Company or the Law.
2. The Board of Directors' policy, which has the broadest powers and faculties to manage, lead, run and represent the Company, is to focus its activity, within the legal limits, on the general function of strategic coordination and the definition and supervision of the basic management guidelines of the Company and its Group, deciding on matters of strategic relevance at Group level, respecting the respective functional areas and responsibilities of each entities that form part of the Group and operating in interest of all of them, entrusting the direction and ordinary management of the Company to the Chairman, to the Chief Executive Officer, if any, and senior management team, of the Company.

Furthermore, the Board of Directors, as the core of its mission, approves the Company strategy and the organization required for its implementation. Furthermore, the Board oversees and ensures that the senior management achieves the goals set and complies with the Company's goals and corporate interest.

3. Those powers that are reserved by law or by the Articles of Association to the direct decision of the Board of Directors or those required for responsible exercise of the general supervisory function by the Board of Directors may not be delegated.
4. Notwithstanding, if applicable, the legal power of delegation and empowerment for execution of the specific decisions adopted, the Board of Directors will directly exercise, at its own initiative or at the proposal of the relevant internal body, the following competences and powers:
 - a. The supervision of the effective operating Committees that it has constituted and the performance of the delegated bodies and the managers that it has designated.
 - b. To determinate the Company's general policies and strategies, and in particular:
 - i. the strategic or business plan, as well as the annual management goals and budget;
 - ii. the investment and financing policy;
 - iii. the definition of the structure of the Company's Group;
 - iv. the governance policy of the Company ~~an~~and its Group;
 - v. the corporate social responsibility policy and sustainability in environmental and social aspects;
 - vi. the risk control and management policy, including tax risks as well as the supervision of the internal reporting and control systems;
 - vii. the dividends policy;
 - viii. treasury shares policy;



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- ix. tax strategy of the Company.
- c. The filing of the annual statements, the management report, and the proposal for distribution of the Company's earnings, as well as the consolidated statements and management report for submission to the General Shareholders' Meeting.
- d. The call to the General Shareholders' Meeting, as well as the preparation of the agenda and the agreement proposal.
- e. The authorization or waiver of the obligations derived from the duty of loyalty, pursuant to the provisions in the applicable legislation, Articles of Association and these Regulation.
- f. The formulation of any kind of report required by Law to the Board of Directors, provided that the operation to which the report refers cannot be delegated.
- g. The enforcement of the Company's own shares policy as authorized by the General Shareholders' Meeting.
- h. The approval of payment of interim dividends.
- i. The appointment of directors by means of co-option and the submission of proposals to the General Shareholders' Meeting on the appointment, ratification and reelection of directors who are not independent, following a report from the Appointments, Remuneration and Sustainability Committee, or the removal of those directors.
- j. The approval of each director's remuneration, following a proposal from the Appointments, Remuneration and Sustainability Committee, in accordance with the remunerations proposal approved by the General Shareholders' Meeting.
- k. The appointment and removal of Chief Executive Officer, if any, as well as the prior approval of the contract to be entered by the Company and the director, to whom executive functions are attributed, including those compensation items for which they could receive remuneration for the performance of those functions.
- l. The appointment and renewal of the internal positions in the Board of Directors and the members and internal positions in their Committees.
- m. The appointment and potential removal of senior managers.
- n. The approval of the remuneration policy as well as the basic terms of the contracts of the Company's senior managers, on the basis of the proposal made by the Chairman of the Board of Directors or the Chief Executive Officer, if any, which will be submitted to the Board of Directors by the Appointments, Remuneration and Sustainability Committee.
- o. The supervision of the process of preparation and presentation of the financial information and of the management report, including, where appropriate, the required non-financial information, and the approval of any financial information that the Company, as a listed company, must make public on a regular basis.



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- p. The formulation, if applicable, of the statement of non-financial information for its presentation to the General Shareholders' Meeting.
 - q. The approval of any investments, divestments or transactions of any kind in which, due to their high amount or special characteristics, have a strategic nature or especial tax risk, unless their approval correspond to the General Shareholders' Meeting.
 - r. The approval of the creation or acquisition of shares in special-purpose vehicles or entities established in countries or territories that are regarded as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could damage Company and its Group's transparency.
 - s. The approval, following a report by the Audit and Control Committee, of the Related-party Transactions, unless its approval corresponds to the General Shareholders' Meeting and without prejudice to of the possibility of delegation by the Board of Directors, in the cases and under the terms established by Law and these Regulations.
 - t. The ruling on any takeover bid made on stock issued by the Company.
 - u. Its organization and functioning and, in particular, the approval and amendment of these Regulations, following a report from the Audit and Control Committee.
 - v. Preparing the Company's Annual Governance Report and the sustainability report or annual report, as well as the Annual Report on the Directors Remuneration.
 - w. The annual evaluation of the quality and efficiency of the Board of Director's and its Committees, proposing, on the basis of its result, an action plan to correct the deficiencies detected, in the terms provided for in article 18 of these Regulation.
 - x. The powers that the General Shareholders' Meeting has delegated to the Board of Directors, unless it has been expressly authorized by it to sub-delegate them.
 - y. Any other matter on which decision-making is reserved by the Regulations of the Board of Directors to the Board in a plenary meeting.
5. When there are urgent circumstances, duly justified, the decisions corresponding to the above matters may be adopted in the cases legally permitted by the bodies or persons delegated, which must be ratified at the first Board of Directors meeting held after the decision is adopted.
6. The Board will approve a diversity policy of the Board of Directors and the selection of directors aimed at promoting an appropriate composition of the Board Directors that will be specific and verifiable and will ensure that the proposals for appointment or re-election are based on a prior analysis of the competences required by the Board of Directors and promote diversity of knowledge, experience, age and gender in accordance with the best corporate governance practices.

The result of the prior analysis of the competences required by the Board of Directors will be collated in the report or proposal by the Appointments, Remuneration and Sustainability Committee, which will be published when the General Shareholders'



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Meeting is called to which the ratification, appointment or re-election of each director is submitted.

Article 6. Corporate interest

1. The Board of Directors will perform its functions with a single purpose and independence, treating all shareholders in identical conditions equally and seeking the Company's interest, which is understood as the achievement of a profitable and sustainable business in the long term, which promotes its continuity and maximization of the Company's financial value.
2. In the pursuit of the social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted customs and good practices, the Board of Directors shall endeavour to reconcile its own social interest not only with the best defense and protection of the interests of all the shareholders, from whom its mandate comes and to whom it is accountable, but also with, as appropriate, the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and on the environment.

TITLE III. - COMPOSITION OF THE BOARD OF DIRECTORS

Article 7. Quantitative composition

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

Article 8. Qualitative composition

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



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of the Company capital represented by the proprietary directors to the rest of the capital.

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

TITLE IV.- STRUCTURE OF THE BOARD OF DIRECTORS

Article 9. The Chairman

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

Article 10. The Deputy Chairman

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

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

1. The Board of Directors will appoint, at the proposal of its Chairman, a Secretary, who



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

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

2. The Secretary will assist the Chairman in his or her duties and will ensure the proper functioning of the Board, devoting special attention to providing directors with the necessary advice and information to carry out their duties with sufficient notice and in the appropriate format, preserve the corporate documents, will duly record meetings and their proper conducting in the minutes book, and will bear witness to the decisions of the body. Likewise, the Secretary of the Board of Directors will also record in the minutes of the meetings of the Board any concerns on the Company affairs not settled by the Board of Directors that were raised by directors, as well as any concerns raised by the Secretary or the directors with regard to any proposal, at the request of the party that raised the corresponding concern.
3. The Secretary will especially ensure that the actions of the Board of Directors (i) comply with the letter and spirit of the laws and its regulations, including those approved by the regulatory bodies; (ii) comply with the Articles of Association and with the Regulations of the General Shareholders' Meeting, the Board of Directors, and the Internal Conduct Regulations in Stock Markets; and (iii) consider the recommendations on corporate governance applicable to the Company.
4. The Board of Directors may have a Legal Counsel to the Board of Directors who will perform the functions provided in the legislation in force. The Secretary or, if applicable, the Deputy Secretary, may hold the position of Legal Advisor to the Board of Directors when he or she is a lawyer and meets the other requirements established in the legislation in force.

Article 12. The Deputy Secretary of the Board of Directors

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

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

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

Article 13. Delegated and advisory bodies



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1. Notwithstanding any powers of attorney granted to any individual, the Board of Directors may create, on a permanent basis, an Executive Committee comprised a minimum of three and a maximum of seven members, and may also appoint a Chief Executive Officer at the proposal of the Chairman of the Board, and may delegate to them, totally or partially, on a temporary or on a permanent basis, all the powers that can be delegated under the Law. The delegation and appointment of the members of the Board of Directors to hold these positions will require the favourable vote of two thirds of the members of the Board of Directors, and will not come into effect until they are registered in the Commercial Registry.
2. The Company will ensure that, insofar as possible, in the Executive Committee will be at least two non-executive directors, being one of them independent. The position of Secretary of the Executive Committee will be held by the Secretary of the Board of Directors.
3. The Chairman of the Executive Committee will report to the Board of Directors on any matters discussed and the decisions adopted in its meetings, minutes of which will be recorded and a copy will be sent to all the members of the Board of Directors.
4. If the Chairman of the Board of Directors performs executive functions, the Board of Directors, with the abstention of the executive directors, must necessarily appoint a lead independent director from amongst the independent directors, who will be specially authorised to:
 - a. Ask the Chairman of the Board of Directors to call a meeting of this body whenever he or she deems it appropriate.
 - b. Request the inclusion of matters on the agenda of the meetings of one Board of Directors, already convened.
 - c. Chair meetings of the Board in the absence of the Chairman and the Deputy Chairmen, if any.
 - d. Coordinate and meet the external directors non-executive, echoing their concerns.
 - e. Lead the appraisal of the Chairman of the Board of Directors.
 - f. Contact investors and shareholders to find their views in order to form an opinion on their concerns, in particular regarding the company's corporate governance.
 - g. Coordinate the Chairman's succession plan.
5. In addition, an Audit and Control Committee and an Appointments, Remuneration and Sustainability Committee with the power of information, oversight, advice, and proposal in those matters that fall under its competence will be created as provided in Sections 14 and 15 of these Regulations and, where appropriate, in their own Regulations.
6. Likewise, the Board may create other committees with advisory or consulting functions. The Chairman, the Secretary, and the other members of those committees will be appointed by the Board of Directors.



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

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

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

2. The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof. ~~The position of Secretary and Deputy Secretary of the Audit and Control Committee will be held by the Secretary of the~~ Board of Directors, shall appoint a Secretary of the Committee and, if applicable, ~~by the~~ Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

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

3. Without prejudice to any other tasks that may be assigned at any time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:
 - a. With regard to the supervision of financial and non-financial information:
 - i. Report to the General Shareholders' Meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the Committee in this process.
 - ii. Oversee the process of preparing and submitting the required financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
 - iii. Oversee that the annual accounts the Board of Directors presents to the General Shareholders' Meeting are drawn up in accordance to accounting legislation. However, in those cases where the auditors includes any qualification in its report, the Chairman of the Audit and Control Committee should give a clear explanation at the General Shareholders' Meeting of their opinion regarding the content and scope. Likewise, a summary of that opinion will be available to the



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shareholders at the time of the publication of the notice of the General Shareholders' Meeting.

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

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

- i. Oversee and evaluate the preparation and the integrity of the financial and nonfinancial information prepared on the Company and, where appropriate, the Group, checking the fulfilment of legal provisions, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles.
- ii. Oversee on a regular basis the effectiveness of the internal control of the Company and its Group as well as the activities of the Company's internal audit function, discussing together with the auditors and any significant weaknesses in the internal control system detected in the audit, all without diminishing its independence. To that effect, and where applicable, the Committee will submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.
- iii. Ensure in general that the policies and systems established for internal control are effectively implemented in practice.
- iv. Oversee the unit that assumes the internal audit function, which will oversee the proper functioning of the reporting and internal control systems and will report functionally to the Chairman of the Audit and Control Committee and, in particular: (a) monitor the independence and effectiveness of the internal audit function; (b) propose the selection, appointment and removal of the head of the internal audit unit; (c) propose the unit t's budget; (d) approve its priorities and the annual internal audit work plan, ensuring that its activity focuses primarily on the main risks(including reputational ones); (e) receive regular reports on its activities; (f) and verify that senior management take into account the findings and recommendations of its reports.

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

- v. Establish and monitor a mechanism whereby employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors and subcontractors can report any potentially significant



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irregularities within the Company or its Group, including financial and accounting irregularities, or those of any other nature. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

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

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

- iv. Issue an annual report, prior to the issue of the auditors' report, containing an opinion on whether the independence of the auditors or audit companies has been compromised, which will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting. Such report shall, in all cases, contain the reasoned evaluation of the provision of each and every one of the additional services mentioned in the letter above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.
- v. Preserve the independence of the external auditor in the performance of its duties and, for such purpose: (i) ensure that the Company notifies through the Spanish National Stock Market Commission any change of auditor, accompanied by a statement of any possible disagreements arising with the outgoing auditor and, if any, of their content; (ii) ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services and, in general, other requirements designated to safeguard auditors' independence; and (iii), in the event of auditor's resignation,



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examine the reasons thereto.

- vi. In the case of groups, the Committee should encourage the Group auditor to take on the auditing of all companies of the Group.
 - vii. Ensure that the remuneration of the external auditor does not compromise its quality or independence.
 - viii. Ensure that the external auditor has an annual meeting with the Board of Directors in plenary session to inform it of the work undertaken and developments in the Company's risk and accounting positions.
- d. With regard to the oversight of risk management and control:
- i. Oversee and evaluate the effectiveness of the risk and control management systems including financial and non-financial relative to the Company or, where appropriate, to the Group (including operating, technological, legal, social, environmental, political and reputational or those related to corruption) and, in particular, review these systems in order for the main risks to be properly identified, managed and disclosed.
 - ii. Oversee the internal risk management and control function.
 - iii. In relation to the risk control and management policy, identify or determinate at least: (i) the different types of risk (operating, technological, financial, legal, reputational, including those related to corruption) to which the Company is exposed, including financial or economic risks of contingent liabilities and other off-balance sheet risks; (ii) a risk control and management model based on different levels (iii) the level of risk that the Company deems acceptable; (iv) the measures in place to mitigate the impact of the identified risks, should they occur; and (v) the internal reporting and control systems to be applied to control and manage the aforementioned risks, including contingent liabilities and offbalance risks.
- e. With regard to the obligations of listed companies:
- i. Report to the Board of Directors, prior to the Board passing the related resolutions on the following:
 - a. The incorporation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
 - b. The economic terms, the accounting impact and, where applicable, the impact on the exchange ratio of the structural changes and corporate transactions that the Company plans to carry out.
 - c. Any amendment to the internal code of conduct.
 - ii. Inform and issue the reports that are mandatory about Related-party Transactions to be approved by the General Shareholders' Meeting or the



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Board of Directors and oversee the internal procedure established by the Company for those whose approval has been delegated by the Board of Directors in accordance with applicable regulations.

Additionally, to also issue the annual report that, where applicable, the Audit and Control Committee issues on Related-party Transactions, that will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.-

- f. With regard to the supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct:
- i. Monitor compliance with legal requirements and the Company's internal governance regulations and the internal codes of conduct, ensuring that the corporate culture is aligned with its purpose and values.
 - ii. Regularly review the Company's internal governance regulations and propose to the Board of Directors, for approval or submission at the General Shareholders' Meeting, as the case may be, any amendments and updates that contribute to its development and ongoing improvement.
 - iii. Promote the Company's corporate governance strategy, as well as regularly evaluate and review the Company's corporate governance system, in order to confirm that it is fulfilling its mission to promote the corporate interest and consider, as appropriate, the legitimate interests of remaining stakeholders.
 - iv. Oversee the general policy relative to the communication of ~~economic~~ financial, non- financial and corporate information, as well as the communication with shareholders and investors, proxy advisors and other interest groups. Likewise, will be followed the way the Company communicates and relates with small- and medium-sized shareholders.
 - v. Be apprised of, promote, guide and oversee the Company's performance regarding corporate reputation and report thereon to the Board of Directors or, where applicable, to the Executive Committee.
 - vi. Report on, prior to its approval, the Company's annual governance report, obtaining for such purposes the reports from the Appointments, Remuneration and Sustainability Committee in relation to these sections of such report that are within their competence.
- g. Other functions of the Committee:
- i. Oversee the calculation of fees received by the Management Company in the performance of its functions.
 - ii. Appoint and supervise the services of external appraisers in relation to the appraisal of the Company's assets.

4. The Audit and Control Committee will meet, ordinarily, on a quarterly basis, for the



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

Article 15. Appointments, Remuneration and Sustainability Committee.

Composition, competences and operation

1. The Board of Directors will create, on a permanent basis, an Appointments, Remuneration and Sustainability Committee, an internal informative and consultative body, with no executive functions, with faculties of information, advice and proposal within the scope of action provided in Section 4 of this article. The Appointments, Remuneration and Sustainability Committee will be comprised a minimum of three and a maximum of five members, appointed by the own Board of Directors, amongst the non-executive directors, at the proposal of the Chairman of the Board. A majority of the members of the Appointments, Remuneration and Sustainability Committee will be independent directors. ~~Likewise, the Board of Directors will appoint the Committee's Chairman from amongst the independent members that form part of such Committee. The role of Secretary and the Deputy Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors and, where applicable, by the Deputy Secretary of the Board.~~



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~~2.~~ The members of the Appointments, Remuneration and Sustainability Committee will have the appropriate knowledge, aptitudes and experience for the functions they are called on to perform, without prejudice to also seeking to promote diversity, taking into account the principle of proportionality, in relation to gender, professional experience, skills, personal abilities, sectoral knowledge or international experience.

~~2.~~ ~~3.~~ The members of the Appointments, Remuneration and Sustainability Committee will hold their positions while their appointment as directors of the Company remains valid, unless the Board of Directors decides otherwise.

~~3.~~ The Board of Directors will appoint the Committee's Chairman from amongst the independent members that form part of the Committee.

The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

- a. Competences with regard to the composition of the Board of Directors and its Committees:
 - i. Advise and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, in particular, evaluate the necessary competences, knowledge and experience in the Board of Directors. To this end, the Board will define the necessary functions and skills of candidates who will cover each vacancy and will evaluate the time and dedication needed for to properly perform their duties, ensuring that non—executive directors have sufficient time available for the proper performance of their duties.
 - ii. Shall ensure that in the promotion of new vacancies or the nomination of new directors, the selection procedures do not include implicit processes that might imply any discrimination and, in particular, that might impede the selection of women. In particular, will be established a representation goal for the less represented sex on the Board of Directors and will be provided guidelines on how to achieve such goal.
 - iii. Propose to the Board of Directors the policy of diversity of the Board of Directors and selection of directors. Likewise, will be drawn up the report referred to in article 5.6 of these Regulations and will be verified, annually, compliance with the policy of diversity Board of Directors and selection of directors, reporting on this in the annual corporate governance report.
 - iv. Annually verify compliance with the criteria for promoting diversity in the



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composition of the Board of Directors established by the Company, which will be reported in the annual corporate governance report.

- v. Advise the Board of Directors about the most appropriate configuration of the Board of Directors and of its Committees, both in size and balance between the different classes of members at all times. To this end, the Committee will regularly review the structure of the Board of Directors and of its Committees, particularly when vacancies occur in these bodies.
 - vi. Verify periodically the Directors' category.
 - vii. Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the Committees.
- b. Competences related to the selection of candidates to become board members and senior managers:
- i. Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.
 - ii. Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the non-executive members, and the re-election proposals for such directors by the General Shareholders Meeting.
 - iii. Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members and the re-election proposals for such directors by the General Shareholders Meeting.
 - iv. Inform of the proposals of the Chairman of the Board of Directors or of the Chief Executive Officer, if any, related to the appointment or removal of senior managers.
- c. Competences related to and to the process for appointing internal positions of the Board of Directors:
- i. Inform of the proposals with regard to the appointment or removal of the Chairman of the Board of Directors.
 - ii. Advise of proposals of the Chairman of the Board of Directors regarding the appointment or removal of the Chief Executive Officer.
 - iii. Examine or organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company, if any, and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way.
 - iv. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Deputy Chairman or Deputy Chairmen of the Board of Directors.



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- v. Bring to the Board of Directors the proposal of nomination of an independent coordinating director especially allowed in the event that the Chairman of the Board of Directors exercises executive functions, and inform of proposals for his/her removal.
 - vi. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Secretary and, as applicable, of the Deputy Secretary or Deputy Secretaries of the Board of Directors, of the Secretary General and of the Legal Counsel.
- d. Competences related to the evaluation of board members:
- i. Establish and oversee an annual programme of continuous evaluation and review of the qualification, education and, as applicable, independence, as well as maintenance of the terms needed to exercise the role of board member and committee member, and proposing to the Board of Directors those measures it considers appropriate in this regard.
 - ii. Conduct in coordination with the Chairman of the Board and with the support, where appropriate, of the independent coordinating director, the annual evaluation of its own functioning and that of its Committees including the evaluation of the performance of the Chairman of the Board of Directors and of the Chief Executive Officer, if any, and submit to the board the results of its evaluation together with a draft action plan and recommendations to correct any deficiencies identified or to improve the functioning.
- e. Competences related to the withdrawal and termination of board members.
- i. Inform the Board of Directors about proposals for removal of non-~~independents~~independent directors in case of breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination have been incurred in accordance with the Law or the Company's internal regulations.
 - ii. Submit to the Board of Directors the proposals of removal of independent members in the event of non-compliance with the duties inherent to the office of director or for having incurred in any of the circumstances of resignation or dismissal, in compliance with the Law or the Company's internal standards.
- f. Competences related to remuneration of directors and senior managers:
- i. Propose to the Board of Directors the remuneration policy applicable to directors and senior managers.
 - ii. Regularly review the members reward policy and senior managers, including share based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company, ensuring its compliance and proposing modifications and updates to the Board of Directors.



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- iii. Propose the basic terms of the contracts to be entered into by the Company with the executive directors for approval by the Board of Directors, including their remuneration and any compensation that may be fixed for early termination in their functions and the amounts to be spent by the Company on insurance premiums or savings system contributions, always in compliance with the Company's internal standards and, in particular, in accordance with the remuneration policy approved by the General Shareholders Meeting.
 - iv. Propose to the Board of Directors the individual determination of the remuneration of each director in that capacity, in accordance with the Articles of Association and the directors' remuneration policy, as well as the individual determination of the remuneration of each director who hold executive functions within the directors' remuneration policy's framework and in accordance with the provisions of his contract.
 - v. Inform of and submit to Board of Directors the proposals of the Chairman of the Board of Directors or the Chief Executive Officer, if any, related to the senior managers' reward structure and the basic terms of their contracts, including any compensation that may be fixed for departure.
 - vi. Oversee observance of the Company's remuneration programmes and advising on the documents to be approved by the Board of Directors for general disclosure about remuneration information, including the annual report on members' remuneration and the corresponding part of the Company's corporate governance annual report, and verify the information on directors and senior officers' pay contained in corporate documents.
 - vii. Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.
- g. Competences related to sustainability in environmental and social aspects:
- i. Oversee the Company's action in environmental and social matters are in accordance with the established strategy and policy, and report on them to the Board of Directors or, as applicable, to the Executive Committee.
 - ii. Evaluate and review periodically the Company's sustainability in environmental and social areas policy, in order to fulfil its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders, and supervising its degree of compliance.
 - iii. Oversee and evaluate processes for different interest groups.
- h. Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.



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- i. Ensure that any conflicts of interest do not prejudice the independence of the external consultancy supplied to the Committee in relation with the performance of its duties.
5. The Appointments, Remuneration and Sustainability Committee will meet, ordinarily, at least three times per year. Similarly, it will meet on request by any of its members and whenever called by its Chairman, who must do so whenever the Board or its Chairman request a report or the adoption of proposals and, in any event, whenever appropriate for the correct progress of its functions.
6. The Appointments, Remuneration and Sustainability Committee will be validly formed when a majority of its members are present or represented and its agreements are approved by an absolute majority vote of the members present or represented at the meeting. In the event of a tie, the Chairman of the Appointments, Remuneration and Sustainability Committee will have the deciding vote.
7. The Committee will produce minutes of its meetings, a copy of which will be sent to all members of the Board of Directors.
8. The Committee should establish an annual work programme, covering the main activities during the year.
9. The Appointments, Remuneration and Sustainability Committee will produce an annual report on its operations, highlighting the main events that have occurred, if any, related to its functions. The report of the Appointments, Remuneration and Sustainability Committee will be available to shareholders and investors via the web page with sufficient notice prior to the Ordinary General Meeting.
10. For best compliance with its functions, the Appointments, Remuneration and Sustainability Committee may call on the advice of external experts when it deems this necessary for suitable compliance with its functions.

TITLE V.- OPERATING RULES OF THE BOARD

Article 16. Meetings of the Board of Directors

1. The Board of Directors will meet as often as is appropriate to properly carry out its functions, and at least eight times per year and in the cases specified by the dates and matters schedule set at the beginning of the fiscal year. Any director may propose other, initially unforeseen items to be included in the agenda, provided such request is made at least three days prior to the scheduled date of the meeting.
 2. Likewise, the Board of Directors will meet at the initiative of the Chairman as many times as deemed appropriate by the latter for the proper operation of the Company, and also when requested in accordance with the provisions of the preceding article 13.4.a).
3. Meetings of the Board of Directors will be called by the Secretary of the Board of Directors, or whoever acts in such capacity, with the authorisation of the Board Chairman, by any means that allow to proof the receipt of the call. The call will be issued at least three days in advance thereof. The call will always include the meeting agenda and will be accompanied by relevant information that is duly prepared and



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summarised.

4. The Chairman of the Board of Directors may call extraordinary meetings of the Board whenever the circumstances so justify in his judgement, to which the advance notice and other requirements specified in the previous section will not apply. Notwithstanding the foregoing, it will be ensured that any documentation that must be provided to the directors will be delivered sufficiently in advance thereof.
5. Notwithstanding the foregoing, the Board of Directors will be deemed validly constituted without the need for a call if all the members present or represented unanimously accept the holding of the meeting and the items to be covered in the agenda. Further, voting by the Board of Directors may be conducted in writing and without a meeting, provided no director objects thereto.
6. The Board of Directors meeting may be held at various places connected to each other by systems enabling the recognition and identification of the attendees, the uninterrupted communication between the participants regardless of where they are located, and their participation and voting, all in real time.

Meeting attendees will be deemed attendees of the same and only meeting for all purposes related to the Board of Directors, regardless of place of attendance. The meeting will be deemed held at the location with the highest number of directors, and in the event of a tie, at the registered address.

7. The Chairman has the right to invite a representative of the Management Company to participate in the meetings held by the Board of Directors.
8. The Board will draw up an annual calendar of its ordinary meetings.

Article 17. Procedure of meetings

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



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Board of Directors.

6. The minutes will be approved by the Board of Directors itself at the conclusion of the meeting or in a subsequent meeting, the minutes may be partially approved at the end of the meeting if this proves necessary for any reason. Likewise, the proposed minutes may be sent by the Secretary or the Deputy Secretary for approval by means of remote communication that allow the recognition and identification of the Board Members.

Article 18. Annual evaluation

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

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

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

TITLE VI.- APPOINTMENT AND REMOVAL OF DIRECTORS

Article 19. Appointment of directors

1. Directors will be appointed by the General Meeting or by the Board of Directors in



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accordance with the provisions contained in the applicable regulations, the Articles of Association, and these Regulations.

2. Upon the appointment of a new director, he/she will follow a new director's orientation programme established by the Company, in order for him/her to quickly acquire sufficient knowledge of the Company, as well as its corporate governance rules.
3. Natural persons who do not meet any of the prohibitions or incompatibility causes established by Law may be directors of the Company.
4. The directors of the Company may sit on up to a maximum of four other boards of directors of listed companies on official secondary markets (apart from the Company) in Spain or abroad.

Article 20. Appointment of outside directors

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

Article 21. Re-election of directors

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

Article 22. Term of office

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

Article 23. Termination of directors

1. Directors will be terminated upon lapse of the period for which they were appointed and when the General Shareholders' Meeting so decides pursuant to its authority conferred by law or the Articles of Association.
2. Directors will place their position at the disposal of the Board of Directors and formalise their resignation in the following cases, provided the Board deems it



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appropriate:

- a. When they are terminated from the executive positions associated with their appointment as director.
 - b. When they become involved in any case of incompatibility, or prohibition under the law or the Articles of Association.
 - c. When they are seriously reprimanded by the Board of Directors for having breached their obligations as directors.
 - d. When their remaining on the Board may jeopardise or damage the interests, credit, or reputation of the Company, or upon the ceasing of the reasons for which they were appointed (for example, when a proprietary director disposes of his ownership interest in the Company or reduces it in a significant manner, as indicated in point f) below.
 - e. When sitting on more than four boards of directors of other listed companies on official secondary markets (apart from the Company) in Spain or abroad.
 - f. In the case of proprietary directors (i) when the shareholder they represent sells its full shareholding or significantly reduces it, and (ii) when this shareholder reduces its shareholding in the corresponding number to a level that requires the reduction of the number of proprietary directors.
3. In the event that, by resignation or by resolution of the General Meeting, a director departs office prior to the end of his/her term, he/she must explain as sufficient as he/she can the reasons for the dismissal, or if non-executive directors, its opinion on the reasons for the General Meeting resolution therefore in a letter that he/she will send to all the members of the Board.

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

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

Article 24. Objectivity of voting

In accordance with the provisions of article 28 bis.1.c) of these Regulations, the directors affected by proposals for appointment, re-election, or termination will refrain from participating in the deliberations and voting related thereto.



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TITLE VII.- DIRECTORS' RIGHT TO INFORMATION

Article 25. Powers of information and inspection

1. Directors may request information on any matter within the authority of the Board of Directors, and in this regard may examine its books, records, documents, and other documentation. The right to information extends in all cases to the subsidiary Companies and when possible to the investees.
2. Requests for information will be addressed to the Secretary of the Board of Directors, who will forward them to the Chairman of the Board of Directors and the appropriate contact person within the Company.
3. The Secretary will advise the director of the confidential nature of the information requested and received, and of his/her duty of confidentiality in accordance with the provisions of these Regulations.
4. The Chairman may deny the information request if he/she deems: (i) that it is not necessary to the proper performance of the functions entrusted to the director, or (ii) that its cost is unreasonable in view of the importance of the problem and the assets and revenues of the Company.

Article 26. Expert support

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

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

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

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

Article 27. Directors' remuneration

1. The directors will be entitled to receive the remuneration set in the Articles of Association.
2. Subject to the limits set forth in the Articles of Association and in the remuneration



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policy, the Board of Directors will seek to ensure that the remuneration of the directors be reasonably proportionate to the value of the Company, its financial situation at any given time, and the market standards for comparable companies. The remuneration system established will be aimed at promoting the long-term profitability and sustainability of the Company and incorporating the necessary precautions to avoid excessive risk taking and the reward of unfavourable results.

3. Likewise, the Board of Directors will seek to ensure that the remuneration of the directors is sufficient to offer incentives to attract and retain directors of the desired profile and remunerate the dedication, qualification, and responsibility required by the position, but not so high as to compromise the independence of judgement of non-executive directors.
4. Remuneration linked to the Company's results will take into account any qualifications stated in the auditor's report that reduce said results.

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

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

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

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

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

TITLE IX.- DIRECTORS' DUTIES

Article 28. Duty of care

1. Directors shall carry out their duties and duties imposed by law and by the Articles of Association with the diligence of an orderly businessman, taking into account the nature of the position and the functions attributed to them, subordinating, in any case,



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their particular interest to the social interest, and shall adopt the necessary measures for the good management and control of the Company.

2. Particularly and notwithstanding the obligations imposed by the Law and the Articles of Association, directors are obliged to:

- a. Be informed and adequately prepared for meetings of the Board of Directors and of the delegated bodies and advisory Committees to which they may belong.
- b. Attend meetings of the Board of Directors and actively participate in the deliberations so that their judgments are effectively reflected in decision-making.

In the event that, for fair cause, a director cannot attend the meetings to which he/she has been called, then he/she will designate a director to be his/her representative.

- c. Contribute their strategic vision, as well as concepts, criteria, and innovative measures for the optimal development and evolution of the business of the Company.
- d. Carry out any specific tasks entrusted to them by the Board of Directors or any of their delegated and/or consultative bodies and that are reasonably included in their commitment of dedication.
- e. Investigate any irregularity in the management of the Company of which they may have become notified and monitor any risk situation.
- f. Request the persons with the capacity to call meetings to convene an extraordinary meeting of the Board of Directors, or include in the agenda of the call the items the director considers appropriate.
- g. Object to resolutions contrary to the Law, the Articles of Association, these Regulations, or any other Company's internal rule or the corporate interest, and

request their position to be recorded in the minutes if they deem it more useful for the safeguarding of the corporate interest. Independent directors and other directors not affected by the potential conflict of interest will especially clearly express their objection to decisions that may harm shareholders not represented on the Board of Directors.

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

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

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



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

Article 28 bis. Duty of Loyalty

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

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

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

Article 29. Directors' duty of confidentiality

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

2. The obligation of confidentiality will survive even the termination of office, with directors required to maintain the secrecy of confidential information and information, data, reports, or background facts learned as a result of the exercise of office. Such items cannot be reported to third parties or disclosed when doing so could harm the corporate interest. The duties referred to in this paragraph are not applicable



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in those cases whereby the laws permit communication or disclosure of the items to third parties, or if applicable, they are required or requested to be sent to the corresponding supervisory authorities, in which case the transfer of information will comply with legal provisions.

Article 30. Obligation of non-competition

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

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

Article 31. Conflicts of interest

1. A conflict of interest will be deemed to exist in those situations wherein the interest of the Company or of the companies forming part of its Group and the personal interest of the director directly or indirectly conflict. The director has a personal interest when the matter affects him/her or a person related to him/her.
2. For the purposes of this Title IX, related persons to the director shall be understood to be:
 - i. A spouse or other person related by a like relationship of affection.
 - ii. The ascendants, descendants, or siblings of the director or of the spouse (or person related by a like relationship of affection) of the director.
 - iii. The spouses of the ascendants, descendants, and siblings of the director.
 - iv. The Companies or entities in which the director holds directly or indirectly, even through an intermediary, a shareholding that gives significant influence or plays a position in the administrative body or senior management in them or in their parent company. For these purposes, it is presumed that significant influence is conferred by any shareholding equal to or greater than 10% of the share capital or of the voting rights or by virtue of which it has been possible to obtain, *de jure* or *de facto*, a representation on the administrative body of the



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company.

- v. The Companies or entities in which the director or any related person, acting personally or through a nominee, exercises a managerial or leadership position or from which he/she receives remuneration for any reason.

In the case of proprietary directors, this includes the shareholders at whose proposal their appointment was made.

3. In particular, the directors should refrain from carrying out transactions with the Company except for those that are subject to waiver in accordance with the provisions of the Law and these Regulations or those that are approved in accordance with the provisions of the Law and article 37 of these Regulations in connection with Related-party Transactions, as appropriate.
4. In any case, Directors will disclose to the Board of Directors of the Company, any conflict, direct or indirect, that he or persons linked to him may have with the interest of the Company.
5. Situations of conflict of interest incurred by directors shall be disclosed in the notes to the annual accounts.

Article 32. Use of company assets

Directors may not use company assets, including confidential information of the Company, for private purposes nor obtain advantages or remuneration from third parties other than the Company and its Group associated with the performance of their duties, except in the case of mere courtesy.

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

Article 33. Non-public information

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

Article 34. Business opportunities

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

Article 35. Indirect transactions

Directors are in breach of their duties of loyalty to the Company if with advance knowledge they allow or fail to disclose the existence of transactions performed by the persons linked to



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him specified in article 31 of these Regulations and that were not subject to the criteria and controls provided in the foregoing articles.

Article 36. Directors' duties of disclosure

1. Directors will disclose to the Board of Directors any shares thereof directly or indirectly held by persons linked to him specified in article 31 of these Regulations, all in accordance with the provisions of the Company's Internal Code of Conduct in the Stock Markets.
2. Directors will also disclose to the Board of Directors any positions he/she holds on the Boards of Directors of other listed or not companies, as well as on other paid activities of whatever nature and generally the facts, circumstances, or situations that may be relevant to his/her service as manager of the Company in accordance with the provisions of these Regulations.
3. Likewise, directors will also disclose to the Board of Directors when situations arise that affect them, related or not to their actions within the Company, that may damage the credit and reputation of the Company, and they will particularly inform the Board of any criminal case in which they appear as investigated as well as of the procedural developments thereof.

The Board of Directors, having been informed of or otherwise become aware of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, attending to the particular circumstances, will decide, based on a report from the Appointments, Remunerations and Sustainability Committee, whether or not to adopt any measures such as opening an internal investigation, requesting the resignation of the director or proposing his removal to the General Shareholders' Meeting. This will be reported on in the annual corporate governance report, unless special circumstances justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company should disseminate, if appropriate, when the corresponding measures are adopted.

TITLE X – RELATED-PARTY TRANSACTIONS

Article 37. Related-party Transactions

1. The Board of Directors is competent for the knowledge and approval, following a report from the Audit and Control Committee, of the transactions that the Company or companies of its Group execute with directors, shareholders holding ten percent (10%) or more of the voting rights or represented on the Board of Directors of the Company, or with any other persons who must be considered related parties under the Spanish Corporate Enterprises Act provisions ("Related-party Transactions"), unless their approval corresponds to the General Meeting.
2. For the purposes of the provisions of the previous section, transactions between the Company and its directly or indirectly wholly owned subsidiaries, the approval by the Board of Directors of the terms and conditions of the contracts to be signed with any directors with executive functions, including, if applicable, the Chief Executive Officer, or senior officers, including the determination of the specific amounts or remuneration to be paid under such contracts, shall not be considered as Related-party



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Transactions.

Transactions between the Company and its subsidiaries or investees, provided that no other related party has interest in those subsidiaries or investees, shall also not be considered Related-party Transactions.

3. The General Meeting is responsible for approving Related-party Transactions with a value or amount equal to or greater than ten percent (10%) of the total balance sheet assets, according to the latest annual balance sheet approved by the Company. The approval of the remaining Related-party Transactions shall correspond to the Board of Directors, which may not delegate this competence except for Related-party Transactions between companies forming part of the Group conducted within the scope of ordinary management activities and under market conditions, as well as Related-party Transactions approved under contracts whose standardized terms are applied globally to a large number of customers, concluded at prices or rates generally established by whoever acts as supplier of the good or service in question, and for an amount not exceeding 0.5% of the Company's net turnover.
4. The Audit and Control Committee shall issue a report prior to the approval of a Related-party Transaction by the General Meeting or the Board of Directors. In this report, the Committee shall assess the fairness and reasonability of the transaction from the Company's point of view and, if applicable, from the point of view of the shareholders other than the related party, and explain the assumptions on which its assessment is based on and the methods used.

The members of the Audit and Control Committee affected by the Related-party Transaction may not participate in the preparation of the report.

This report is not required for carrying out Related-party Transactions whose approval has been delegated by the Board of Directors in the legally permitted cases and provided for in these Regulations.

5. When, in accordance with the provisions of section 3 above, the Board of Directors delegates the approval of Related-party Transactions, the Board of Directors itself shall establish an internal information and periodic control procedure to verify the fairness and transparency of those transactions and, if applicable, compliance with the applicable legal criteria.
6. The Board of Directors shall ensure the public disclosure of the execution of Related-party Transactions entered by the Company or companies of its Group and whose amount reaches or exceeds five percent (5%) of the total amount of the asset headings or 2.5% of the annual amount of the Company's turnover.

For such purposes, a report with the legally stipulated content must be published in an easily accessible part of the Company's website, which must be likewise notified to the National Securities Market Commission. The announcement must be published and notified, at the latest, at the time the Related-party Transaction is executed and must be accompanied by the report issued by the Audit and Control Committee, when applicable.

7. In order to determine the amount of a Related-party Transaction, the transactions entered into with the same counterparty in the previous twelve months shall be recorded on an aggregate basis.



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TITLE XI.- INFORMATION POLICY AND RELATIONS OF THE BOARD

Article 38. Website

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

Article 39. Relations with shareholders

1. The Board of Directors will determine the appropriate channels to hear proposals prepared by the shareholders in relation to the management of the Company.
2. The Board, through some of its members and with the collaboration of the members of senior management it deems pertinent, will be able to organise informational meetings about the progress of the Company and its Group for the shareholders residing in the most relevant financial centers in Spain and abroad.
3. The Board of Directors will likewise establish adequate mechanisms for the regular exchange of information with the institutional investors that form part of the shareholding of the Company. Under no circumstances will the relations between the Board of Directors and the institutional shareholders result in the delivery to the latter of any information that could provide them with a privilege or advantage over the other shareholders.
4. The Board of Directors shall define and promote a policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors that fully respects the rules against market abuse and gives similar treatment to shareholders in the same position, including the policy of communicating economic-financial, non-financial and corporate information.

The Company shall make the aforementioned policy public through its website, including information on how it has been implemented, and will identify the partners or persons responsible for carrying it out.

5. Any public request for the delegation of votes made by the Board of Directors or by any of its members will indicate the direction in which the representative will vote in case the shareholder does not provide instructions.
 6. The Board of Directors will promote the informed participation of the shareholders in the General Meetings and will adopt any appropriate measures to enable the General Shareholders' Meeting to effectively exercise the functions inherent thereto in accordance with the law and the Articles of Association.



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

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

Article 40. Relations with the markets

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

Article 41. Relations with auditors

1. It falls upon the Audit and Control Committee to propose to the Board of Directors, for its subsequent submission to the General Shareholders' Meeting, the appointment (specifying the terms of engagement and the scope of professional authority), renewal, and revocation of the auditor of the annual accounts of the Company, and to supervise compliance with the audit contract in accordance with article 14 of these Regulations.
2. The Audit and Control Committee will refrain from proposing to the Board of Directors, and the latter will likewise refrain from submitting to the General Shareholders' Meeting, the appointment as auditor of the Company of any auditor deemed precluded in accordance with audit regulations, as well as those companies whose fees expected to be billed to the Company, for all items, exceed 5% of its total revenues for the preceding fiscal year.

Article 42. Relations with senior management of the Company

The relations between the Board of Directors and the senior management of the Company, as provided in these Regulations, will necessarily be channeled through the Chairman of the Board of Directors or the Chief Executive Officer, if any, and in the absence of such persons, through



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the Secretary of the Board of Directors.

* * *



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ANNEX II

Proposed amendment of the Regulations of the Audit and Control Committee of LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

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



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

Madrid, ~~17 November 2022~~ February 24, 2023

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Article 1. Purpose

1. The Audit and Control Committee of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the “**Company**”) is formed in accordance with that set forth in the Spanish Corporations Act and in Article 42 of the Bylaws and Article 14 of the Company’s Board of Directors Regulations.
2. The purpose of these Audit and Control Committee Regulations, approved by the Company’s Board of Directors, is to establish the rules regarding the organisation and functioning of its Audit and Control Committee, implementing, with regard to that deemed appropriate to better carry out its functions, the provisions of the Bylaws and the Board of Directors Regulations based on good governance recommendations and criteria established by the Spanish National Securities Market Commission and taking into account the characteristics of the Company and its Group.
3. With regard to that not expressly envisaged in these Regulations, the provisions set forth by the Committee itself shall apply, and that established in the Bylaws and the Board Regulations regarding the functioning of the Board of Directors shall also be applicable to the extent possible given its nature and functions.

Article 2. Interpretation, amendment and dissemination

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

Article 3. Composition of the Audit and Control Committee

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

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

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

Article 4. Committee positions

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

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

2. The ~~position~~Board of ~~Secretary and Deputy~~Directors shall appoint a Secretary of the ~~Audit and Control~~ Committee ~~shall be held by~~and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

In the event that the Secretary and ~~by, if applicable,~~ the Deputy Secretary of the ~~Board of~~



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Directors Committee are not members of the Committee, they shall have the right to speak but not to vote.

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

Article 5. Functions of the Audit and Control Committee

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

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

- i. Report to the General Shareholders' Meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the Committee in this process.
- ii. Oversee the process of preparing and submitting the required financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
- iii. Oversee that the annual accounts the Board of Directors presents to the General Shareholders' Meeting are drawn up in accordance to accounting legislation. However, in those cases where the auditors ~~includes~~include any qualification in its report, the Chairman of the Audit and Control Committee should give a clear explanation at the General Shareholders' Meeting of their opinion regarding the content and scope. Likewise, a summary of that opinion will be available to the shareholders at the time of the publication of the notice of the General Shareholders' Meeting.
- iv. Give the Board of Directors prior notice of any financial information and the management report, including, where appropriate, the required non-financial information that the Company, is obliged to publish periodically. The Audit and Control Committee must ensure that the half-yearly financial reports and the interim management reports are drawn up in accordance with the same accounting policies as the annual financial statements and, to this end, it may ask the external auditor to conduct a limited review of the half-yearly financial reports.

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

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

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

- iii. Ensure in general that the policies and systems established for internal control are effectively implemented in practice.
- iv. Supervise the unit that assumes the internal audit function, which shall oversee the proper functioning of the reporting and internal control systems and will report functionally to the Chairman of the Audit and Control Committee and, in particular: (a) monitor the independence and effectiveness of the internal audit function; (b) propose the selection, appointment and removal of the head of the internal audit unit; (c) propose the unit's budget; (d) approve its priorities and the annual internal audit work plan, ensuring that its activity focuses primarily on the main risks (including reputational ones); (e) receive regular reports on its activities; (g) verify that senior management take into account the findings and recommendations of its reports; and (g) assess, on an annual basis, the functioning of the internal audit unit as well as the performance of its functions by its head, whereby the opinion of executive management shall be sought out for such purposes.

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

- v. Establish and monitor a mechanism whereby employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors and subcontractors can report any potentially significant irregularities within the Company or its Group, including financial and accounting irregularities, or those of any other nature, receiving regular reports on its functioning and proposing any actions deemed appropriate to improve the mechanism and reduce the risk of irregularities in the future. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.
- c. With regard to the external auditor:
- i. Submit to the Board the proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process, in accordance with that set forth in applicable legislation, as well as the contracting conditions, and for such purpose it must:
 - 1º. determine the process of selection of the auditor; and
 - 2º. issue a reasoned proposal that shall contain a minimum of two

alternatives for selecting the auditor, unless the same auditor is being reelected.

- ii. Receive regular information from the external auditor in relation to the audit plan and the results of its implementation, and verify that senior management is acting on its recommendations.
- iii. Establish the proper relationships with auditors to receive information on any matters that may threaten their independence, in particular any discrepancies that may arise between the auditor and the Company's management, for examination by the Audit and Control Committee, and any other matters related to the audit process and, where applicable, the authorisation of the services other than those prohibited, under the terms envisaged in applicable legislation, as well as other notices envisaged in audit legislation and other audit regulations.

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

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

legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.

- v. Preserve the independence of the external auditor in the performance of its duties and, for such purpose: (i) ensure that the Company notifies through the Spanish National Stock Market Commission any change of auditor, accompanied by a statement of any possible disagreements arising with the outgoing auditor and, if any, of their content; (ii) ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services and, in general, other requirements designated to safeguard auditors' independence; and (iii), in the event of auditor's resignation, examine the reasons thereto.
- vi. In the case of groups, the Committee should encourage the Group auditor to take on the auditing of all companies of the Group.
- vii. Ensure that the remuneration of the external auditor does not compromise its

quality or independence.

- viii. Ensure that the external auditor has an annual meeting with the Board of Directors in plenary session to inform it of the work undertaken and developments in the Company's risk and accounting positions.
 - ix. Carry out a final assessment regarding the auditor's performance and how it contributed to the quality of the audit and the integrity of the financial information.
- d. With regard to the oversight of risk management and control:
- i. Oversee and evaluate the effectiveness of the risk and control management systems including financial and non-financial relative to the Company or, where appropriate, to the Group (including operating, technological, legal, social, environmental, political and reputational or those related to corruption) and, in particular, review these systems in order for the main risks to be properly identified, managed and disclosed.
 - ii. Oversee the internal risk management and control function.
 - iii. In relation to the risk control and management policy, identify or determinate at least: (i) the different types of risk (operating, technological, financial, legal, reputational, including those related to corruption) to which the Company is exposed, including financial or economic risks of contingent liabilities and other off-balance sheet risks; (ii) a risk control and management model based on different levels (iii) the level of risk that the Company deems acceptable; (iv) the measures in place to mitigate the impact of the identified risks, should they occur; and (v) the internal reporting and control systems to be applied to control and manage the aforementioned risks, including contingent liabilities and offbalance risks.
 - iv. Reassess, at least on an annual basis, the list of most significant financial and non-financial risks and assess their level of tolerance, proposing any adjustments to the Board of Directors, where applicable.
 - v. Hold a meeting, at least on an annual basis, with the senior managers of the business units to explain the business trends and associated risks.
- e. With regard to the obligations of listed companies:
- i. Report to the Board of Directors, prior to the Board passing the related resolutions on the following:
 - (a) The incorporation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
 - (b) The economic terms, the accounting impact and, where applicable, the impact on the exchange ratio of the structural changes and corporate transactions that the Company plans to carry out.

(c) Any amendment to the internal code of conduct.

ii. Inform and issue the reports that are mandatory about related-party transactions to be approved by the General Shareholders' Meeting or the Board of Directors and oversee the internal procedure established by the Company for those whose approval has been delegated by the Board of Directors in accordance with applicable regulations.

Additionally, to also issue the annual report that, where applicable, the Audit and Control Committee issues on related-party transactions, that will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.

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

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

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

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

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

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

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

g. Other functions of the Committee:

i. Oversee the calculation of fees received by the Management Company in the performance of its functions.



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

Article 6. Call of the meetings

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

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

Article 7. Meetings

1. Audit and Control Committee meetings shall be held, in accordance with its annual work plan, at the Company's registered office or at any location previously designated by the Chairman and indicated in the call notice.
2. Committee meetings may be held through multiconference calls, videoconference or any

other similar systems such that one or several members may attend the meeting through the indicated system. For such purpose, the call notice of the meeting, in addition to indicating the location where the actual meeting will take place, must mention that members may also attend the meeting through conference calls, videoconference or an equivalent system, whereby the technical means necessary for such purpose must be indicated and available, which in any case must enable direct and simultaneous communication between all attendees. The meetings shall be deemed to have been held where the highest number of directors is present and, in the event of a tie, at the registered office. The Secretary of the Audit and Control Committee must place on record in the minutes of the meetings held, in addition to those members attending the meeting in person or, where applicable, represented by another Committee member, those that attend the meeting through the multiconference call, videoconference or similar system.

3. Constructive discussions among its members shall be encouraged at the Committee meetings, promoting free expression and the supervisory and analysis mindset of its members, whereby the Chairman of the Committee must ensure that its members freely participate in discussions.
4. The Audit and Control Committee shall draft an annual report on its performance during the year, which will serve as the basis for the evaluation to be carried out by the Board of Directors, highlighting the main incidents, if any, that have arisen in relation to its functions. The report shall include, among other issues, the significant activities carried out during the period, and report on those that were carried out in collaboration with external experts and, when deemed appropriate by the Committee, this report will include proposals to improve the Company's governance rules. The report shall be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.
5. The Audit and Control Committee may call any of the members of the management team or the Company's personnel, even ordering their appearance without the presence of another senior officer. Those called shall be obliged to attend the meetings of the Audit and Control Committee and provide their collaboration and access to the information they have available.

The Committee may also require attendance at its meetings by other persons (executive directors, experts, auditors, etc.), although only by invitation of the Chairman of the Committee and only to discuss those specific items on the agenda for which they are summoned. In particular, senior officers or other executive or non-executive directors shall only occasionally attend Committee meetings, also ensuring that invited parties not to attend the committee's deliberation and voting stages.

Article 8. Convening of meetings and adoption of resolutions

1. The Audit and Control Committee shall be validly convened when the majority of its members are present, in person or represented, adopting resolutions by an absolute majority of those present or represented. The Chairman of the Audit and Control Committee shall have the casting vote in the event of a tie.
2. Audit and Control Committee members may grant its representation to another member of the Committee. Representation shall be granted in writing specifically for each meeting.



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3. In case of conflicts of interest, the Committee member affected must abstain from participating in the deliberation and voting on resolutions or decisions in which such member or a person related thereto has a direct or indirect conflict of interest.

Article 9. Committee meeting minutes

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

Article 10. Access to information and advice

1. The Audit and Control Committee may access in an appropriate, timely and sufficient manner any information or documentation that the Company has relating to matters of its competence, provided it is deemed necessary to carry out its functions.
2. Additionally, the Committee may engage, at the expense of the Company, the collaboration with or advisory services of external professionals when deemed necessary or appropriate to better perform its functions.

Article 11. Means and resources

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

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

1. The Audit and Control Committee must establish an effective and regular communication channel with its usual partners, which will normally correspond to the Chairman of the Committee and, among others, with:
 - a) Company's management, in particular, corporate management and financial management;
 - b) the head of internal audit; and
 - c) the main auditor responsible for the audit.
2. In any event, communication between the Audit and Control Committee and the external auditor must be fluid, continuous and in accordance with the regulations governing audit activities; and must not compromise the auditor's independence or the effectiveness with which the audit is carried out or the audit processes are conducted.



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3. The Committee shall report the business transacted and account for the work performed at the first plenary session of the Board of Directors subsequent to its meetings.
4. The Chairman of the Committee shall act as the spokesperson at the Board of Directors meetings and, where applicable, at the Company's General Shareholders' Meeting.

* * *



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ANNEX III

Proposed amendment to the Regulations of the Appointments, Remuneration and Sustainability Committee of LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

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



Appointments, Remuneration and Sustainability Committee Regulations

of

Lar España Real Estate SOCIMI, S.A.

Madrid, ~~11 November 2021~~ February 24, 2023



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

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Article 1. Purpose

1. The Appointments, Remuneration and Sustainability Committee of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the “**Company**”) is formed in accordance with that set forth in the Spanish Corporate Enterprises Act and in Article 43 of the Bylaws and Article 15 of the Company’s Board of Directors Regulations.
2. The purpose of these Appointments, Remuneration and Sustainability Committee Regulations, approved by the Company’s Board of Directors, is to establish the rules regarding the organization and functioning of its Appointments, Remuneration and Sustainability Committee, implementing, with regard to that deemed appropriate to better carry out its functions, the provisions of the Bylaws and the Board of Directors Regulations based on good governance recommendations and criteria established by the Spanish National Securities Market Commission; all taking into account the



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characteristics of the Company and its Group and the necessary contextualization of these recommendations within the framework of the proportionality principle.

3. With regard to that not expressly envisaged in these Regulations, the provisions set forth by the Committee itself shall apply, and that established in the Bylaws and the Board Regulations regarding the functioning of the Board of Directors shall also be applicable to the extent possible given its nature and functions.

Article 2. Interpretation, amendment and dissemination

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

Article 3. Composition of the Appointments, Remuneration and Sustainability Committee

1. The Board of Directors shall form an Appointments, Remuneration and Sustainability Committee, on a permanent basis, that will be composed by a minimum of three and a maximum of five directors. They will be proposed by the Chairman of the Board and appointed by the Board of Directors amongst the external directors, trying that the majority of them are independent directors.
2. The members of the Appointments, Remuneration and Sustainability Committee will have the appropriate knowledge, aptitudes and experience for the functions they are called on to perform and, when possible attending to the proportionality principle, the Board will (i) endeavour that the members, as a whole, are appointed taking into account their knowledge of and experience in fields such as human resources, selection of directors and senior managers and design of remuneration policies and plans; and (ii) favour diversity in relation to gender, professional experience, skills, personal abilities, sectoral knowledge or international experience; all of this taking into account the limitations arising from the smaller size of the Commission when compared to the Board.
3. The Directors who form part of the Appointments, Remuneration and Sustainability Committee shall hold office for as long as their appointment as Directors of the Company remains in force, unless the Board of Directors decides otherwise.

Article 4. Committee positions

1. The Board of Directors shall appoint the Chairman of the Committee from among the independent Directors that form part thereof.
2. The ~~position~~Board of ~~Secretary and Deputy~~Directors shall appoint a Secretary of the ~~Appointments, Remuneration and Sustainability~~ Committee ~~shall be held by~~and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

In the event that the Secretary and, if applicable, the Deputy Secretary of the ~~Board of Directors~~ Committee are not members of the Committee, they shall have the right to speak but not to vote.

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

Article 5. Functions of the Appointments, Remuneration and Sustainability Committee

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

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

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

- ii. Shall ensure that in the promotion of new vacancies or the nomination of new directors, the selection procedures do not include implicit processes that might imply any discrimination and, in particular, that might impede the selection of women. In particular, will be established a representation goal for the less represented sex on the Board of Directors and will be provided guidelines on how to achieve such goal.
- iii. Propose to the Board of Directors the policy of diversity of the Board of Directors and selection of directors. Likewise, will be drawn up the report referred to in article 5.6 of the Regulations of the Board of Directors and will be verified,

annually, compliance with the policy of diversity Board of Directors and selection of directors, reporting on this in the annual corporate governance report.

- iv. Annually verify compliance with the criteria for promoting diversity in the composition of the Board of Directors established by the Company, which will be reported in the annual corporate governance report.
- v. Advise the Board of Directors about the most appropriate configuration of the Board of Directors and of its committees, both in size and balance between the different classes of members at all times. To this end, the Committee will regularly review the structure of the Board of Directors and of its committees,

particularly when vacancies occur in these bodies.

- vi. Verify periodically the Directors' category.
 - vii. Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the committees.
- b. Competences related to the selection of candidates to become board members and senior managers
- i. Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.
 - ii. Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the non-executive members and the re-election proposals for such directors by the General Shareholders Meeting.
 - iii. Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members and the re-election proposals for such directors by the General Shareholders Meeting.
 - iv. Inform of the proposals of the Chairman of the Board of Directors or of the Chief Executive Officer, if any, related to the appointment or removal of senior managers.
- c. Competences related to and to the process for appointing internal positions of the Board of Directors
- i. Inform of the proposals with regard to the appointment or removal of the Chairman of the Board of Directors.
 - ii. Advise of proposals of the Chairman of the Board of Directors regarding the appointment or removal of the Chief Executive Officer.
 - iii. Examine or organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company, if any, and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way, drawing up a succession plan for that purpose.
 - iv. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Deputy Chairman or Deputy Chairmen of the Board of Directors.
 - v. Bring to the Board of Directors the proposal of nomination of an independent coordinating director especially allowed in the event that the Chairman of the Board of Directors exercises executive functions; and inform of proposals for his/her removal.
 - vi. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Secretary and, as applicable, of the Deputy Secretary or Deputy Secretaries of the Board of Directors, of the Secretary

General and of the Legal Counsel.

d. Competences related to the evaluation of board members

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

In particular, will periodically design and organize knowledge update programs for directors.

- ii. Conduct in coordination with the Chairman of the Board and with the support, where appropriate, of the independent coordinating director, the annual evaluation of its own functioning and that of its committees including the evaluation of the performance of the Chairman of the Board of Directors and of the Chief Executive Officer, if any, and submit to the board the results of its evaluation together with a draft action plan and recommendations to correct any deficiencies identified or to improve the functioning.

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

- i. Inform the Board of Directors about proposals for removal of non independent directors due to breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination according to applicable Law and to the Company's regulations have been incurred.
- ii. Submit to the Board of Directors the proposals of removal of independent members in the event of non-compliance with the duties inherent to the office of director or for having incurred in any of the circumstances of resignation or dismissal, in compliance with the Law or the Company's internal standards

f. Competences related to remuneration of directors and senior managers

- i. Propose to the Board of Directors the remuneration policy applicable to directors and senior managers.
- ii. Regularly review the members reward policy and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors

and senior managers in the company, ensuring its compliance and proposing modifications and updates to the Board of Directors.

- iii. Propose the basic terms of the contracts to be entered into by the Company with the executive directors for approval by the Board of Directors, including their remuneration and any compensation that may be fixed for early termination in their functions and the amounts to be spent by the Company on insurance premiums or savings system contributions, always in compliance with the

Company's internal standards and, in particular, in accordance with the remuneration policy approved by the General Shareholders Meeting.

- iv. Propose to the Board of Directors the individual determination of the remuneration of each director in that capacity, in accordance with the Bylaws and the directors' remuneration policy, as well as the individual determination of the remuneration of each director who hold executive functions within the directors' remuneration policy's framework and in accordance with the provisions of his contract.
 - v. Inform of and submit to Board of Directors the proposals of the Chairman of the Board of Directors or the Chief Executive Officer, if any, related to the senior managers' reward structure and the basic terms of their contracts, including any compensation that may be fixed for departure.
 - vi. Review the terms and conditions of the contracts of executive directors and senior management and verify that they are consistent with current remuneration policies.
 - vii. Oversee observance of the Company's remuneration programmes and advising on the documents to be approved by the Board of Directors for general disclosure about remuneration information, including the annual report on members' remuneration and the corresponding part of the Company's corporate governance annual report, and verify the information on directors and senior officers' pay contained in corporate documents.
 - viii. Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.
- g. Competences related to sustainability in environmental and social aspects
- i. Oversee the Company's action in environmental and social matters are in accordance with the established strategy and policy, and report on them to the Board of Directors or, as applicable, to the Executive Committee.
 - ii. Evaluate and review periodically the Company's sustainability in environmental and social areas policy, in order to fulfil its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders, and supervising its degree of compliance.

Environmental and social sustainability policies should identify and include, at least: (i) the principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of

corruption and other illegal conducts; (ii) the methods or systems for monitoring compliance with policies, associated risks and their management ~~(iii)~~ (iii) the mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct; (iv) channels for stakeholders communication, participation and dialogue; and (v) responsible communication practices that prevent the manipulation of information and protect the ~~company~~ Company's honour and integrity.

- iii. Oversee and evaluate processes for different interest groups.
- h. Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.
- i. Ensure that any conflicts of interest do not prejudice the independence of the external consultancy supplied to the Committee in relation with the performance of its duties.

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

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

Article 6. Call of the meetings

1. The Appointments, Remuneration and Sustainability Committee shall meet regularly, three times per year. Additionally, the Committee shall also meet at the request of any of its members and when called by its Chairman, which must call a meeting whenever the Board or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever deemed appropriate for the successful performance of its functions. Whenever possible, meetings of the Committee shall be held sufficiently in advance of Board meetings.
2. The Appointments, Remuneration and Sustainability Committee meetings shall be called by the Secretary of the Committee or, where applicable, the Deputy Secretary, by order of the Chairman, at least three days prior to the meeting, except in cases of emergency that justify calling a meeting immediately or within less time. The call notice will be sent by letter, fax, e-mail or by any other means that provide evidence of receipt.
3. The call notice shall always include the agenda of the meeting and will be accompanied by the necessary information, without prejudice to the fact that in certain circumstances all or part of the information may be provided at the meeting itself.

Article 7. Meetings

1. Appointments, Remuneration and Sustainability Committee meetings shall be held, in accordance with its annual work plan, at the Company's registered office or at any location previously designated by the Chairman and indicated in the call notice.
2. Committee meetings may be held through multiconference calls, videoconference or any other similar systems such that one or several members may attend the meeting through the indicated system. For such purpose, the call notice of the meeting, in addition to indicating the location where the actual meeting will take place, must mention that members may also attend the meeting through conference calls, videoconference or an equivalent system, whereby the technical means necessary for such purpose must be indicated and available, which in any case must enable direct and simultaneous communication between all



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attendees. The meeting shall be deemed to have been held where the highest number of directors is present and, in the event of a tie, at the registered office. The Secretary of the Appointments, Remuneration and Sustainability Committee must place on record in the minutes of the meetings held, in addition to those members attending the meeting in person or, where applicable, represented by another Committee member, those that attend the meeting through the multiconference call, videoconference or similar system.

3. Attendance at meetings of the Committee must be preceded by sufficient dedication on the part of its members to analyse and evaluate the information received.

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

4. The Appointments, Remuneration and Sustainability Committee shall draft an annual report on its performance during the year, which will serve as the basis for the evaluation to be carried out by the Board of Directors, highlighting the main incidents, if any, that have arisen in relation to its functions. The report shall include, among other issues, the significant activities carried out during the period, and report on those that were carried out in collaboration with external experts. The report shall be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.
5. The Appointments, Remuneration and Sustainability Committee may call any of the members of the management team or the Company's personnel, even ordering their appearance without the presence of another senior officer. Those called shall be obliged to attend the meetings of the Appointments, Remuneration and Sustainability Committee and provide their collaboration and access to the information they have available. The Committee may also require attendance at its meetings by other persons, although only by invitation of the Chairman of the Committee and only to discuss those specific items on the agenda for which they are summoned in so far as it is justified by reason of the case in question, so that such presence does not become customary practice. In this regard, care shall be taken to ensure that guests do not attend the deliberation and voting phases of the Committee.

Article 8. Constitution and adoption of resolutions

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

Article 9. Committee meeting minutes



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

Article 10. Access to information and advice

1. The Appointments, Remuneration and Sustainability Committee may access in an appropriate, timely and sufficient manner any information or documentation that the Company has relating to matters of its competence, provided it is deemed necessary to carry out its functions.
2. Additionally, the Committee may engage, at the expense of the Company, the collaboration with or advisory services of external professionals when deemed necessary or appropriate to better perform its functions.

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

Article 11. Means and resources

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

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

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



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remuneration of senior managers and executive directors. Any non-executive director may approach the committee to propose candidates that it might consider suitable to cover vacancies on the Board.

* * *

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

Madrid, February 24, 2023

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

I. INTRODUCTION AND PURPOSE OF THE REPORT.

In compliance with the provisions of article 518.d) of the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, 2010 ("LSC"), which requires that from the publication of the notice of call until the General Meeting is held, the companies publish uninterruptedly on their website a report from the competent bodies in relation to those items of a purely informative nature, as well as with article 528 of the LSC, which requires the Board of Directors to inform the General Meeting of the amendments made to the Board Regulations, this report is prepared by the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S. A. (hereinafter, "**Lar España**" or the "**Company**"), for the purpose of explaining the amendments to the Board of Directors Regulations agreed at its meetings of November 17, 2022 and February 24, 2023, and which will be reported to the Ordinary General Shareholders' Meeting of the Company, called to be held on March 30, 2023, at first call, and on the following day, March 31, at second call.

II. JUSTIFICATIONS FOR THE MODIFICATIONS.

a) Amendments agreed at the Board meeting held on November 17, 2022.

The Ordinary General Meeting of the Company held on April 27, 2022 resolved to amend the Company's Articles of Association to adapt them to the amendments introduced in the LSC by Law 5/2021, of April 12, on the promotion of the long-term involvement of shareholders in listed companies, as well as to incorporate certain technical improvements.

In particular, the aforementioned General Shareholders' Meeting agreed to amend Article 42 of the Company's Articles of Association to adapt the maximum term of office of the Chairman of the Audit and Control Committee to that provided for in Article 529 quaterdecies.2 LSC, extending it from three to four years.

In accordance with the foregoing, the Audit and Control Committee proposed to the Board the amendment of **article 14 ("Audit and Control Committee. Composition, competences and functioning")** of the Regulations of the Board, as well as of its own Regulations, in order to coordinate them with Article 42 of the Company's Articles of Association.

b) Amendments agreed at the Board meeting held on February 24, 2023.

The Audit and Control Committee, within the framework of its powers to periodically review the Company's internal corporate governance regulations and to propose to the Board of Directors

the amendments and updates that contribute to its development and continuous improvement, considered it appropriate to propose to the Board the amendment of the Regulations of the Board of Directors and, in coordination therewith, of the Regulations of the Committees, regarding the persons who may hold the office of Secretary and Deputy Secretary of the Audit and Control Committee and of the Appointments, Remunerations and Sustainability Committee.

In this regard, it was proposed to amend **Articles 14 ("Audit and Control Committee. Composition, competences and functioning")** and **15 ("Appointments, Remuneration and Sustainability Committee. Composition, competences and operation")** of the Board Regulations, eliminating the system that established that the Secretary and Deputy Secretary of the Committees would be the Secretary and Deputy Secretary of the Board, and providing instead that *"the Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the functions of such positions, may be appointed for such positions"*. This was intended to provide the Company's Secretariat with greater flexibility from an organizational and operational perspective, considering, among other issues, the growing number of meetings and responsibilities of both the Committees and the Board itself.

On the other hand, with respect to the position of Deputy Secretary, it was also proposed that the position be optional, allowing for flexibility in the organization of the Committees according to what is most convenient at any given time.

In any case, the aforementioned amendment of the Regulations of the Board and the Regulations of the Committees is conditioned to the approval by the next Ordinary General Shareholders' Meeting of the amendment of **articles 42 ("Audit and Control Committee. Composition, authority and functioning")** and **43 ("Appointments, Remuneration and Sustainability Committee")** of Lar España's Articles of Association.

III. ANNEX.

In order to facilitate the comparison between the new wording of the modified articles and the wording they had prior to their modification, the following Annexes are included in this Report:

- Included as **Annex I** is the comparative text between the Regulations of the Board of Directors approved at the Board meeting of November 17, 2022 and its wording prior to the aforementioned amendment.
- Included as **Annex II** is the comparative text between the Regulations of the Board of Directors approved at the Board meeting of February 24, 2023 and its wording prior to the aforementioned amendment.



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ANNEX I

**Regulations of the Board of Directors
approved at the Board meeting of November 17, 2022**

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



Madrid, 17 November ~~11, 2021~~2022

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

TITLE I. - INTRODUCTION

Article 1. Origin and purpose

1. These Regulations have been approved by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), following reporting to the General Shareholders’ Meeting, pursuant to the provisions in article 516 of the consolidated text of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Corporate Enterprises Act**”). These Regulations are intended to establish the principles for action for the Board of Directors, the basic rules of its organisation and functioning, and rules of

selection, appointment, re-election and dismissal as well as the conduct rules for its members.

2. The conduct rules established in these Regulations for the Company directors will also apply to the Company's senior management, to the extent that they are compatible with their specific nature and the activities performed. For purposes of these Regulations, "senior management" will be defined as those managers who directly report to the Board of Directors or the Chief Executive Officer, if any, and in any case to the person in charge of the Company's internal auditing.

Article 2. Interpretation

1. These Regulations complete the regulatory regime that applies to the Board of Directors established in the regulations in force and in Articles of Association of the Company. It will be interpreted pursuant to the applicable legal and statutory regulations and the principles and recommendations on the corporate governance of listed companies established by supervisory bodies or other authorities of renowned prestige assumed by the Company.
2. The Board of Directors will be responsible for settling any doubt arisen by the application and interpretation of these Regulations in accordance with the general criteria for the interpretation of the legal provisions.

Article 3. Amendment

1. These Regulations may be amended only at the request of the Chairman of the Board of Directors, by one third of the directors or the Audit and Control Committee, and in any case the proposal for amendment must be accompanied by an explanatory report, as well as by a report prepared by the Audit and Control Committee, except when that proposal is issued by the aforementioned Committee.
2. The text of the proposal and the explanatory report of its authors must be attached to the call to the meeting of the Board that is to make a decision on it. The call to meeting must be made at least ten days in advance.
3. These Regulations must be updated whenever required to adapt their contents to the applicable provisions in force.

Article 4. Disclosure obligations

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

Article 5. Competences of the Board of Directors

1. The Board of Directors is competent to adopt and pass resolutions on all sorts of matters that are not attributed to the General Shareholders' Meeting by the Articles of Association of the Company or the Law.
2. The Board of Directors' policy, which has the broadest powers and faculties to manage, lead, run and represent the Company, is to focus its activity, within the legal limits, on the general function of strategic coordination and the definition and supervision of the basic management guidelines of the Company and its Group, deciding on matters of strategic relevance at Group level, respecting the respective functional areas and responsibilities of each entities that from part of the Group and operating in interest of all of them, entrusting the direction and ordinary management of the Company to the Chairman, to the Chief Executive Officer, if any, and senior management team, of the Company.

Furthermore, the Board of Directors, as the core of its mission, approves the Company strategy and the organization required for its implementation. Furthermore, the Board oversees and ensures that the senior management achieves the goals set and complies with the Company's goals and corporate interest.

3. Those powers that are reserved by law or by the Articles of Association to the direct decision of the Board of Directors or those required for responsible exercise of the general supervisory function by the Board of Directors may not be delegated.
4. Notwithstanding, if applicable, the legal power of delegation and empowerment for execution of the specific decisions adopted, the Board of Directors will directly exercise, at its own initiative or at the proposal of the relevant internal body, the following competences and powers:
 - a. The supervision of the effective operating Committees that it has constituted and the performance of the delegated bodies and the managers that it has designated.
 - b. To determinate the Company's general policies and strategies, and in particular:
 - i. the strategic or business plan, as well as the annual management goals and budget;
 - ii. the investment and financing policy;
 - iii. the definition of the structure of the Company's Group;
 - iv. the governance policy of the Company an its Group;
 - v. the corporate social responsibility policy and sustainability in environmental and social aspects;
 - vi. the risk control and management policy, including tax risks as well as the supervision of the internal reporting and control systems;
 - vii. the dividends policy;
 - viii. treasury shares policy;

- ix. tax strategy of the Company.
- c. The filing of the annual statements, the management report, and the proposal for distribution of the Company's earnings, as well as the consolidated statements and management report for submission to the General Shareholders' Meeting.
- d. The call to the General Shareholders' Meeting, as well as the preparation of the agenda and the agreement proposal.
- e. The authorization or waiver of the obligations derived from the duty of loyalty, pursuant to the provisions in the applicable legislation, Articles of Association and these Regulation.
- f. The formulation of any kind of report required by Law to the Board of Directors, provided that the operation to which the report refers cannot be delegated.
- g. The enforcement of the Company's own shares policy as authorized by the General Shareholders' Meeting.
- h. The approval of payment of interim dividends.
- i. The appointment of directors by means of co-option and the submission of proposals to the General Shareholders' Meeting on the appointment, ratification and reelection of directors who are not independent, following a report from the Appointments, Remuneration and Sustainability Committee, or the removal of those directors.
- j. The approval of each director's remuneration, following a proposal from the Appointments, Remuneration and Sustainability Committee, in accordance with the remunerations proposal approved by the General Shareholders' Meeting.
- k. The appointment and removal of Chief Executive Officer, if any, as well as the prior approval of the contract to be entered by the Company and the director, to whom executive functions are attributed, including those compensation items for which they could receive remuneration for the performance of those functions.
- l. The appointment and renewal of the internal positions in the Board of Directors and the members and internal positions in their Committees.
- m. The appointment and potential removal of senior managers.
- n. The approval of the remuneration policy as well as the basic terms of the contracts of the Company's senior managers, on the basis of the proposal made by the Chairman of the Board of Directors or the Chief Executive Officer, if any, which will be submitted to the Board of Directors by the Appointments, Remuneration and Sustainability Committee.
- o. The supervision of the process of preparation and presentation of the financial information and of the management report, including, where appropriate, the required non-financial information, and the approval of any financial information that the Company, as a listed company, must make public on a regular basis.
- p. The formulation, if applicable, of the statement of non-financial information for its presentation to the General Shareholders' Meeting.

- q. The approval of any investments, divestments or transactions of any kind in which, due to their high amount or special characteristics, have a strategic nature or especial tax risk, unless their approval correspond to the General Shareholders' Meeting.
 - r. The approval of the creation or acquisition of shares in special-purpose vehicles or entities established in countries or territories that are regarded as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could damage Company and its Group's transparency.
 - s. The approval, following a report by the Audit and Control Committee, of the Related-party Transactions, unless its approval corresponds to the General Shareholders' Meeting and without prejudice to of the possibility of delegation by the Board of Directors, in the cases and under the terms established by Law and these Regulations.
 - t. The ruling on any takeover bid made on stock issued by the Company.
 - u. Its organization and functioning and, in particular, the approval and amendment of these Regulations, following a report from the Audit and Control Committee.
 - v. Preparing the Company's Annual Governance Report and the sustainability report or annual report, as well as the Annual Report on the Directors Remuneration.
 - w. The annual evaluation of the quality and efficiency of the Board of Director's and its Committees, proposing, on the basis of its result, an action plan to correct the deficiencies detected, in the terms provided for in article 18 of these Regulation.
 - x. The powers that the General Shareholders' Meeting has delegated to the Board of Directors, unless it has been expressly authorized by it to sub-delegate them.
 - y. Any other matter on which decision-making is reserved by the Regulations of the Board of Directors to the Board in a plenary meeting.
5. When there are urgent circumstances, duly justified, the decisions corresponding to the above matters may be adopted in the cases legally permitted by the bodies or persons delegated, which must be ratified at the first Board of Directors meeting held after the decision is adopted.
 6. The Board will approve a diversity policy of the Board of Directors and the selection of directors aimed at promoting an appropriate composition of the Board Directors that will be specific and verifiable and will ensure that the proposals for appointment or re-election are based on a prior analysis of the competences required by the Board of Directors and promote diversity of knowledge, experience, age and gender in accordance with the best corporate governance practices.

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

Article 6. Corporate interest

1. The Board of Directors will perform its functions with a single purpose and independence, treating all shareholders in identical conditions equally and seeking the Company's interest, which is understood as the achievement of a profitable and sustainable business in the long term, which promotes its continuity and maximization of the Company's financial value.
2. In the pursuit of the social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted customs and good practices, the Board of Directors shall endeavour to reconcile its own social interest not only with the best defense and protection of the interests of all the shareholders, from whom its mandate comes and to whom it is accountable, but also with, as appropriate, the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and on the environment.

TITLE III. - COMPOSITION OF THE BOARD OF DIRECTORS

Article 7. Quantitative composition

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

Article 8. Qualitative composition

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

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

TITLE IV.- STRUCTURE OF THE BOARD OF DIRECTORS

Article 9. The Chairman

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

Article 10. The Deputy Chairman

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

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

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

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

2. The Secretary will assist the Chairman in his or her duties and will ensure the proper functioning of the Board, devoting special attention to providing directors with the necessary advice and information to carry out their duties with sufficient notice and in the appropriate format, preserve the corporate documents, will duly record meetings and their proper conducting in the minutes book, and will bear witness to the decisions of the body. Likewise, the Secretary of the Board of Directors will also record in the minutes of the meetings of the Board any concerns on the Company affairs not settled by the Board of Directors that were raised by directors, as well as any concerns raised by the Secretary or the directors with regard to any proposal, at the request of the party that raised the corresponding concern.
3. The Secretary will especially ensure that the actions of the Board of Directors (i) comply with the letter and spirit of the laws and its regulations, including those approved by the regulatory bodies; (ii) comply with the Articles of Association and with the Regulations of the General Shareholders' Meeting, the Board of Directors, and the Internal Conduct Regulations in Stock Markets; and (iii) consider the recommendations on corporate governance applicable to the Company.
4. The Board of Directors may have a Legal Counsel to the Board of Directors who will perform the functions provided in the legislation in force. The Secretary or, if applicable, the Deputy Secretary, may hold the position of Legal Advisor to the Board of Directors when he or she is a lawyer and meets the other requirements established in the legislation in force.

Article 12. The Deputy Secretary of the Board of Directors

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

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

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

Article 13. Delegated and advisory bodies

1. Notwithstanding any powers of attorney granted to any individual, the Board of Directors may create, on a permanent basis, an Executive Committee comprised a minimum of three and a maximum of seven members, and may also appoint a Chief Executive Officer at the proposal of the Chairman of the Board, and may delegate to

them, totally or partially, on a temporary or on a permanent basis, all the powers that can be delegated under the Law. The delegation and appointment of the members of the Board of Directors to hold these positions will require the favourable vote of two thirds of the members of the Board of Directors, and will not come into effect until they are registered in the Commercial Registry.

2. The Company will ensure that, insofar as possible, in the Executive Committee will be at least two non-executive directors, being one of them independent. The position of Secretary of the Executive Committee will be held by the Secretary of the Board of Directors.
3. The Chairman of the Executive Committee will report to the Board of Directors on any matters discussed and the decisions adopted in its meetings, minutes of which will be recorded and a copy will be sent to all the members of the Board of Directors.
4. If the Chairman of the Board of Directors performs executive functions, the Board of Directors, with the abstention of the executive directors, must necessarily appoint a lead independent director from amongst the independent directors, who will be specially authorised to:
 - a. Ask the Chairman of the Board of Directors to call a meeting of this body whenever he or she deems it appropriate.
 - b. Request the inclusion of matters on the agenda of the meetings of one Board of Directors, already convened.
 - c. Chair meetings of the Board in the absence of the Chairman and the Deputy Chairmen, if any.
 - d. Coordinate and meet the external directors non-executive, echoing their concerns.
 - e. Lead the appraisal of the Chairman of the Board of Directors.
 - f. Contact investors and shareholders to find their views in order to form an opinion on their concerns, in particular regarding the company's corporate governance.
 - g. Coordinate the Chairman's succession plan.
5. In addition, an Audit and Control Committee and an Appointments, Remuneration and Sustainability Committee with the power of information, oversight, advice, and proposal in those matters that fall under its competence will be created as provided in Sections 14 and 15 of these Regulations and, where appropriate, in their own Regulations.
6. Likewise, the Board may create other committees with advisory or consulting functions. The Chairman, the Secretary, and the other members of those committees will be appointed by the Board of Directors.

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

1. The Board of Directors will create, on a permanent basis, an Audit and Control Committee, comprised a minimum of three and a maximum of five directors, appointed by the Board of

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

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

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

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

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

3. Without prejudice to any other tasks that may be assigned at any time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:
 - a. With regard to the supervision of financial and non-financial information:
 - i. Report to the General Shareholders' Meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the Committee in this process.
 - ii. Oversee the process of preparing and submitting the required financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
 - iii. Oversee that the annual accounts the Board of Directors presents to the General Shareholders' Meeting are drawn up in accordance to accounting legislation. However, in those cases where the auditors includes any qualification in its report, the Chairman of the Audit and Control Committee should give a clear explanation at the General Shareholders' Meeting of their opinion regarding the content and scope. Likewise, a summary of that opinion will be available to the shareholders at the time of the publication of the notice of the General Shareholders' Meeting.
 - iv. Give the Board of Directors prior notice of any financial information and the management report, including, where appropriate, the required non-financial information that the Company, is obliged to publish periodically. The Audit

and Control Committee must ensure that the half-yearly financial reports and the interim management reports are drawn up in accordance with the same accounting policies as the annual financial statements and, to this end, it may ask the external auditor to conduct a limited review of the half-yearly financial reports.

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

- i. Oversee and evaluate the preparation and the integrity of the financial and nonfinancial information prepared on the Company and, where appropriate, the Group, checking the fulfilment of legal provisions, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles.
- ii. Oversee on a regular basis the effectiveness of the internal control of the Company and its Group as well as the activities of the Company's internal audit function, discussing together with the auditors and any significant weaknesses in the internal control system detected in the audit, all without diminishing its independence. To that effect, and where applicable, the Committee will submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.
- iii. Ensure in general that the policies and systems established for internal control are effectively implemented in practice.
- iv. Oversee the unit that assumes the internal audit function, which will oversee the proper functioning of the reporting and internal control systems and will report functionally to the Chairman of the Audit and Control Committee and, in particular: (a) monitor the independence and effectiveness of the internal audit function; (b) propose the selection, appointment and removal of the head of the internal audit unit; (c) propose the unit's budget; (d) approve its priorities and the annual internal audit work plan, ensuring that its activity focuses primarily on the main risks(including reputational ones); (e) receive regular reports on its activities; (f) and verify that senior management take into account the findings and recommendations of its reports.

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

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

c. With regard to the external auditor:

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

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

- iv. Issue an annual report, prior to the issue of the auditors' report, containing an opinion on whether the independence of the auditors or audit companies has been compromised, which will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting. Such report shall, in all cases, contain the reasoned evaluation the provision of each and every one of the additional services mentioned in the letter above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.
- v. Preserve the independence of the external auditor in the performance of its duties and, for such purpose: (i) ensure that the Company notifies through the Spanish National Stock Market Commission any change of auditor, accompanied by a statement of any possible disagreements arising with the outgoing auditor and, if any, of their content; (ii) ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services and, in general, other requirements designated to safeguard auditors' independence; and (iii), in the event of auditor's resignation, examine the reasons thereto.
- vi. In the case of groups, the Committee should encourage the Group auditor to take on the auditing of all companies of the Group.
- vii. Ensure that the remuneration of the external auditor does not compromise its quality or independence.
- viii. Ensure that the external auditor has an annual meeting with the Board of Directors in plenary session to inform it of the work undertaken and developments in the Company's risk and accounting positions.

- d. With regard to the oversight of risk management and control:
- i. Oversee and evaluate the effectiveness of the risk and control management systems including financial and non-financial relative to the Company or, where appropriate, to the Group (including operating, technological, legal, social, environmental, political and reputational or those related to corruption) and, in particular, review these systems in order for the main risks to be properly identified, managed and disclosed.
 - ii. Oversee the internal risk management and control function.
 - iii. In relation to the risk control and management policy, identify or determinate at least: (i) the different types of risk (operating, technological, financial, legal, reputational, including those related to corruption) to which the Company is exposed, including financial or economic risks of contingent liabilities and other off-balance sheet risks; (ii) a risk control and management model based on different levels (iii) the level of risk that the Company deems acceptable; (iv) the measures in place to mitigate the impact of the identified risks, should they occur; and (v) the internal reporting and control systems to be applied to control and manage the aforementioned risks, including contingent liabilities and offbalance risks.
- e. With regard to the obligations of listed companies:
- i. Report to the Board of Directors, prior to the Board passing the related resolutions on the following:
 - a. The incorporation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
 - b. The economic terms, the accounting impact and, where applicable, the impact on the exchange ratio of the structural changes and corporate transactions that the Company plans to carry out.
 - c. Any amendment to the internal code of conduct.
 - ii. Inform and issue the reports that are mandatory about Related-party Transactions to be approved by the General Shareholders' Meeting or the Board of Directors and oversee the internal procedure established by the Company for those whose approval has been delegated by the Board of Directors in accordance with applicable regulations.

Additionally, to also issue the annual report that, where applicable, the Audit and Control Committee issues on Related-party Transactions, that will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting. .
- f. With regard to the supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct:

- i. Monitor compliance with legal requirements and the Company's internal governance regulations and the internal codes of conduct, ensuring that the corporate culture is aligned with its purpose and values.
 - ii. Regularly review the Company's internal governance regulations and propose to the Board of Directors, for approval or submission at the General Shareholders' Meeting, as the case may be, any amendments and updates that contribute to its development and ongoing improvement
 - iii. Promote the Company's corporate governance strategy, as well as regularly evaluate and review the Company's corporate governance system, in order to confirm that it is fulfilling its mission to promote the corporate interest and consider, as appropriate, the legitimate interests of remaining stakeholders.
 - iv. Oversee the general policy relative to the communication of economic-financial, non-financial and corporate information, as well as the communication with shareholders and investors, proxy advisors and other interest groups. Likewise, will be followed the way the Company communicates and relates with small- and medium-sized shareholders.
 - v. Be apprised of, promote, guide and oversee the Company's performance regarding corporate reputation and report thereon to the Board of Directors or, where applicable, to the Executive Committee.
 - vi. Report on, prior to its approval, the Company's annual governance report, obtaining for such purposes the reports from the Appointments, Remuneration and Sustainability Committee in relation to these sections of such report that are within their competence.
- g. Other functions of the Committee:
- i. Oversee the calculation of fees received by the Management Company in the performance of its functions.
 - ii. Appoint and supervise the services of external appraisers in relation to the appraisal of the Company's assets.
4. The Audit and Control Committee will meet, ordinarily, on a quarterly basis, for the purpose of reviewing the regular financial information to be sent to the supervisory authorities, as well as the information that the Board of Directors has to approve and include in its annual public documentation. Likewise, the Committee will meet at the request of any of its members and whenever called by its Chairman, who must do so whenever the Board or its Chairman request a report or the adoption of proposals and, in any event, whenever appropriate for the proper performance of its functions.
 5. The Audit and Control Committee will be validly held when a majority of its members are present or represented, and its resolutions will be approved by absolute majority of the votes of the members present or represented in the meeting. In the event of a tie, the Chairman of the Audit and Control Committee will have the deciding vote.
 6. The Committee will produce minutes of its meetings, a copy of which will be sent to all members of the Board of Directors.

7. The Audit and Control Committee will establish annually an action plan that includes the Committee's main activities during the year in relation to the fulfilment of its functions.
8. The Audit and Control Committee will produce an annual report on its operations, which will be the basis for the evaluation by the Board of Directors, highlighting the main events that have occurred, if any, related to its functions. In addition, when the Audit and Control Committee considers it appropriate, it will include in this report proposals to improve the Company's rules of corporate governance. The Audit and Control Committee report will be available to shareholders and investors through the corporate web page with sufficient notice prior to the Ordinary General Shareholders' Meeting.
9. The Audit and Control Committee may call on any of the members of the Company's management or staff, and may order them to appear without the presence of any other manager. Those invited will be required to attend sessions of the Audit and Control Committee, to collaborate with it, and provide it with the respective information. The Committee may equally request assistance in its sessions from accounts auditors or other persons by invitation of the Chairman of the Committee.
10. For the best performance of its functions, the Audit and Control Committee will have sufficient resources and may call on the advice of external experts when it deems it necessary for proper compliance with its functions.

Article 15. Appointments, Remuneration and Sustainability Committee.

Composition, competences and operation

1. The Board of Directors will create, on a permanent basis, an Appointments, Remuneration and Sustainability Committee, an internal informative and consultative body, with no executive functions, with faculties of information, advice and proposal within the scope of action provided in Section 4 of this article. The Appointments, Remuneration and Sustainability Committee will be comprised a minimum of three and a maximum of five members, appointed by the own Board of Directors, amongst the non- executive directors, at the proposal of the Chairman of the Board. A majority of the members of the Appointments, Remuneration and Sustainability Committee will be independent directors. Likewise, the Board of Directors will appoint the Committee's Chairman from amongst the independent members that form part of such Committee. The role of Secretary and the Deputy Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors and, where applicable, by the Deputy Secretary of the Board.
2. The members of the Appointments, Remuneration and Sustainability Committee will have the appropriate knowledge, aptitudes and experience for the functions they are called on to perform, without prejudice to also seeking to promote diversity, taking into account the principle of proportionality, in relation to gender, professional experience, skills, personal abilities, sectoral knowledge or international experience.
3. The members of the Appointments, Remuneration and Sustainability Committee will hold their positions while their appointment as directors of the Company remains valid, unless the Board of Directors decides otherwise.
4. Notwithstanding the other functions that it may be assigned by the Board of Directors, the Appointments, Remuneration and Sustainability Committee will have the following basic responsibilities:

- a. Competences with regard to the composition of the Board of Directors and its Committees:
- i. Advise and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, in particular, evaluate the necessary competences, knowledge and experience in the Board of Directors. To this end, the Board will define the necessary functions and skills of candidates who will cover each vacancy and will evaluate the time and dedication needed for to properly perform their duties, ensuring that non- executive directors have sufficient time available for the proper performance of their duties.
 - ii. Shall ensure that in the promotion of new vacancies or the nomination of new directors, the selection procedures do not include implicit processes that might imply any discrimination and, in particular, that might impede the selection of women. In particular, will be established a representation goal for the less represented sex on the Board of Directors and will be provided guidelines on how to achieve such goal.
 - iii. Propose to the Board of Directors the policy of diversity of the Board of Directors and selection of directors. Likewise, will be drawn up the report referred to in article 5.6 of these Regulations and will be verified, annually, compliance with the policy of diversity Board of Directors and selection of directors, reporting on this in the annual corporate governance report.
 - iv. Annually verify compliance with the criteria for promoting diversity in the composition of the Board of Directors established by the Company, which will be reported in the annual corporate governance report.
 - v. Advise the Board of Directors about the most appropriate configuration of the Board of Directors and of its Committees, both in size and balance between the different classes of members at all times. To this end, the Committee will regularly review the structure of the Board of Directors and of its Committees, particularly when vacancies occur in these bodies.
 - vi. Verify periodically the Directors' category.
 - vii. Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the Committees.
- b. Competences related to the selection of candidates to become board members and senior managers:
- i. Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.
 - ii. Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the non-executive members, and the re-election proposals for such directors by the General Shareholders Meeting.

- iii. Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members and the re-election proposals for such directors by the General Shareholders Meeting.
 - iv. Inform of the proposals of the Chairman of the Board of Directors or of the Chief Executive Officer, if any, related to the appointment or removal of senior managers.
 - c. Competences related to and to the process for appointing internal positions of the Board of Directors:
 - i. Inform of the proposals with regard to the appointment or removal of the Chairman of the Board of Directors.
 - ii. Advise of proposals of the Chairman of the Board of Directors regarding the appointment or removal of the Chief Executive Officer.
 - iii. Examine or organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company, if any, and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way.
 - iv. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Deputy Chairman or Deputy Chairmen of the Board of Directors.
 - v. Bring to the Board of Directors the proposal of nomination of an independent coordinating director especially allowed in the event that the Chairman of the Board of Directors exercises executive functions, and inform of proposals for his/her removal.
 - vi. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Secretary and, as applicable, of the Deputy Secretary or Deputy Secretaries of the Board of Directors, of the Secretary General and of the Legal Counsel.
 - d. Competences related to the evaluation of board members:
 - i. Establish and oversee an annual programme of continuous evaluation and review of the qualification, education and, as applicable, independence, as well as maintenance of the terms needed to exercise the role of board member and committee member, and proposing to the Board of Directors those measures it considers appropriate in this regard.
 - ii. Conduct in coordination with the Chairman of the Board and with the support, where appropriate, of the independent coordinating director, the annual evaluation of its own functioning and that of its Committees including the evaluation of the performance of the Chairman of the Board of Directors and of the Chief Executive Officer, if any, and submit to the board the results of its evaluation together with a draft action plan and recommendations to correct any deficiencies identified or to improve the

functioning.

- e. Competences related to the withdrawal and termination of board members.
 - i. Inform the Board of Directors about proposals for removal of non-independent directors in case of breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination have been incurred in accordance with the Law or the Company's internal regulations.
 - ii. Submit to the Board of Directors the proposals of removal of independent members in the event of non-compliance with the duties inherent to the office of director or for having incurred in any of the circumstances of resignation or dismissal, in compliance with the Law or the Company's internal standards.
- f. Competences related to remuneration of directors and senior managers:
 - i. Propose to the Board of Directors the remuneration policy applicable to directors and senior managers.
 - ii. Regularly review the members reward policy and senior managers, including share based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company, ensuring its compliance and proposing modifications and updates to the Board of Directors.
 - iii. Propose the basic terms of the contracts to be entered into by the Company with the executive directors for approval by the Board of Directors, including their remuneration and any compensation that may be fixed for early termination in their functions and the amounts to be spent by the Company on insurance premiums or savings system contributions, always in compliance with the Company's internal standards and, in particular, in accordance with the remuneration policy approved by the General Shareholders Meeting.
 - iv. Propose to the Board of Directors the individual determination of the remuneration of each director in that capacity, in accordance with the Articles of Association and the directors' remuneration policy, as well as the individual determination of the remuneration of each director who hold executive functions within the directors' remuneration policy's framework and in accordance with the provisions of his contract.
 - v. Inform of and submit to Board of Directors the proposals of the Chairman of the Board of Directors or the Chief Executive Officer, if any, related to the senior managers' reward structure and the basic terms of their contracts, including any compensation that may be fixed for departure.
 - vi. Oversee observance of the Company's remuneration programmes and advising on the documents to be approved by the Board of Directors for

general disclosure about remuneration information, including the annual report on members' remuneration and the corresponding part of the Company's corporate governance annual report, and verify the information on directors and senior officers' pay contained in corporate documents.

- vii. Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.
- g. Competences related to sustainability in environmental and social aspects:
- i. Oversee the Company's action in environmental and social matters are in accordance with the established strategy and policy, and report on them to the Board of Directors or, as applicable, to the Executive Committee.
 - ii. Evaluate and review periodically the Company's sustainability in environmental and social areas policy, in order to fulfil its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders, and supervising its degree of compliance.
 - iii. Oversee and evaluate processes for different interest groups.
- h. Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.
- i. Ensure that any conflicts of interest do not prejudice the independence of the external consultancy supplied to the Committee in relation with the performance of its duties.
5. The Appointments, Remuneration and Sustainability Committee will meet, ordinarily, at least three times per year. Similarly, it will meet on request by any of its members and whenever called by its Chairman, who must do so whenever the Board or its Chairman request a report or the adoption of proposals and, in any event, whenever appropriate for the correct progress of its functions.
6. The Appointments, Remuneration and Sustainability Committee will be validly formed when a majority of its members are present or represented and its agreements are approved by an absolute majority vote of the members present or represented at the meeting. In the event of a tie, the Chairman of the Appointments, Remuneration and Sustainability Committee will have the deciding vote.
7. The Committee will produce minutes of its meetings, a copy of which will be sent to all members of the Board of Directors.
8. The Committee should establish an annual work programme, covering the main activities during the year.
9. The Appointments, Remuneration and Sustainability Committee will produce an annual report on its operations, highlighting the main events that have occurred, if any, related to its functions. The report of the Appointments, Remuneration and Sustainability Committee will be available to shareholders and investors via the web page with

sufficient notice prior to the Ordinary General Meeting.

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

TITLE V.- OPERATING RULES OF THE BOARD

Article 16. Meetings of the Board of Directors

1. The Board of Directors will meet as often as is appropriate to properly carry out its functions, and at least eight times per year and in the cases specified by the dates and matters schedule set at the beginning of the fiscal year. Any director may propose other, initially unforeseen items to be included in the agenda, provided such request is made at least three days prior to the scheduled date of the meeting.
2. Likewise, the Board of Directors will meet at the initiative of the Chairman as many times as deemed appropriate by the latter for the proper operation of the Company, and also when requested in accordance with the provisions of the preceding article 13.4.a).
3. Meetings of the Board of Directors will be called by the Secretary of the Board of Directors, or whoever acts in such capacity, with the authorisation of the Board Chairman, by any means that allow to proof the receipt of the call. The call will be issued at least three days in advance thereof. The call will always include the meeting agenda and will be accompanied by relevant information that is duly prepared and summarised.
4. The Chairman of the Board of Directors may call extraordinary meetings of the Board whenever the circumstances so justify in his judgement, to which the advance notice and other requirements specified in the previous section will not apply. Notwithstanding the foregoing, it will be ensured that any documentation that must be provided to the directors will be delivered sufficiently in advance thereof.
5. Notwithstanding the foregoing, the Board of Directors will be deemed validly constituted without the need for a call if all the members present or represented unanimously accept the holding of the meeting and the items to be covered in the agenda. Further, voting by the Board of Directors may be conducted in writing and without a meeting, provided no director objects thereto.
6. The Board of Directors meeting may be held at various places connected to each other by systems enabling the recognition and identification of the attendees, the uninterrupted communication between the participants regardless of where they are located, and their participation and voting, all in real time.

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

Article 17. Procedure of meetings

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

Article 18. Annual evaluation

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

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

2. Evaluations of the various Committees will be based on the reports they submit to the

Board of Directors, whereas an evaluation of the latter will be based on the report submitted by the Appointments, Remuneration and Sustainability Committee.

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

TITLE VI.- APPOINTMENT AND REMOVAL OF DIRECTORS

Article 19. Appointment of directors

1. Directors will be appointed by the General Meeting or by the Board of Directors in accordance with the provisions contained in the applicable regulations, the Articles of Association, and these Regulations.
2. Upon the appointment of a new director, he/she will follow a new director's orientation programme established by the Company, in order for him/her to quickly acquire sufficient knowledge of the Company, as well as its corporate governance rules.
3. Natural persons who do not meet any of the prohibitions or incompatibility causes established by Law may be directors of the Company.:-
4. The directors of the Company may sit on up to a maximum of four other boards of directors of listed companies on official secondary markets (apart from the Company) in Spain or abroad.

Article 20. Appointment of outside directors

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

Article 21. Re-election of directors

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

Article 22. Term of office

1. Directors will hold office for a term of three years, at the end of which they may be reelected one or more times for periods of the same duration.

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

Article 23. Termination of directors

1. Directors will be terminated upon lapse of the period for which they were appointed and when the General Shareholders' Meeting so decides pursuant to its authority conferred by law or the Articles of Association.
2. Directors will place their position at the disposal of the Board of Directors and formalise their resignation in the following cases, provided the Board deems it appropriate:
 - a. When they are terminated from the executive positions associated with their appointment as director.
 - b. When they become involved in any case of incompatibility, or prohibition under the law or the Articles of Association.
 - c. When they are seriously reprimanded by the Board of Directors for having breached their obligations as directors.
 - d. When their remaining on the Board may jeopardise or damage the interests, credit, or reputation of the Company, or upon the ceasing of the reasons for which they were appointed (for example, when a proprietary director disposes of his ownership interest in the Company or reduces it in a significant manner, as indicated in point f) below.
 - e. When sitting on more than four boards of directors of other listed companies on official secondary markets (apart from the Company) in Spain or abroad.
 - f. In the case of proprietary directors (i) when the shareholder they represent sells its full shareholding or significantly reduces it, and (ii) when this shareholder reduces its shareholding in the corresponding number to a level that requires the reduction of the number of proprietary directors.
3. In the event that, by resignation or by resolution of the General Meeting, a director departs office prior to the end of his/her term, he/she must explain as sufficient as he/she can the reasons for the dismissal, or if non-executive directors, its opinion on the reasons for the General Meeting resolution therefore in a letter that he/she will send to all the members of the Board.

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

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

Article 24. Objectivity of voting

In accordance with the provisions of article 28 bis.1.c) of these Regulations, the directors affected by proposals for appointment, re-election, or termination will refrain from participating in the deliberations and voting related thereto.

TITLE VII.- DIRECTORS' RIGHT TO INFORMATION

Article 25. Powers of information and inspection

1. Directors may request information on any matter within the authority of the Board of Directors, and in this regard may examine its books, records, documents, and other documentation. The right to information extends in all cases to the subsidiary Companies and when possible to the investees.
2. Requests for information will be addressed to the Secretary of the Board of Directors, who will forward them to the Chairman of the Board of Directors and the appropriate contact person within the Company.
3. The Secretary will advise the director of the confidential nature of the information requested and received, and of his/her duty of confidentiality in accordance with the provisions of these Regulations.
4. The Chairman may deny the information request if he/she deems: (i) that it is not necessary to the proper performance of the functions entrusted to the director, or (ii) that its cost is unreasonable in view of the importance of the problem and the assets and revenues of the Company.

Article 26. Expert support

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

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

2. The decision to hire external advisory services billable to the Company will be

communicated to the Chairman of the Company and may be vetoed by the Board of Directors if it proves:

- a. That it is not necessary to the proper performance of the functions entrusted to the outside directors;
- b. That its cost is unreasonable in view of the importance of the problem and the assets and revenues of the Company; or
- c. That the technical support attained may be adequately provided by experts and technicians within the Company.

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

Article 27. Directors' remuneration

1. The directors will be entitled to receive the remuneration set in the Articles of Association.
2. Subject to the limits set forth in the Articles of Association and in the remuneration policy, the Board of Directors will seek to ensure that the remuneration of the directors be reasonably proportionate to the value of the Company, its financial situation at any given time, and the market standards for comparable companies. The remuneration system established will be aimed at promoting the long-term profitability and sustainability of the Company and incorporating the necessary precautions to avoid excessive risk taking and the reward of unfavourable results.
3. Likewise, the Board of Directors will seek to ensure that the remuneration of the directors is sufficient to offer incentives to attract and retain directors of the desired profile and remunerate the dedication, qualification, and responsibility required by the position, but not so high as to compromise the independence of judgement of non-executive directors.
4. Remuneration linked to the Company's results will take into account any qualifications stated in the auditor's report that reduce said results.

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

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

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

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

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

TITLE IX.- DIRECTORS' DUTIES

Article 28. Duty of care

1. Directors shall carry out their duties and duties imposed by law and by the Articles of Association with the diligence of an orderly businessman, taking into account the nature of the position and the functions attributed to them, subordinating, in any case, their particular interest to the social interest, and shall adopt the necessary measures for the good management and control of the Company.
2. Particularly and notwithstanding the obligations imposed by the Law and the Articles of Association, directors are obliged to:
 - a. Be informed and adequately prepared for meetings of the Board of Directors and of the delegated bodies and advisory Committees to which they may belong;
 - b. Attend meetings of the Board of Directors and actively participate in the deliberations so that their judgments are effectively reflected in decision-making.

In the event that, for fair cause, a director cannot attend the meetings to which he/she has been called, then he/she will designate a director to be his/her representative.
 - c. Contribute their strategic vision, as well as concepts, criteria, and innovative measures for the optimal development and evolution of the business of the Company.
 - d. Carry out any specific tasks entrusted to them by the Board of Directors or any of their delegated and/or consultative bodies and that are reasonably included in their commitment of dedication.
 - e. Investigate any irregularity in the management of the Company of which they may have become notified and monitor any risk situation.
 - f. Request the persons with the capacity to call meetings to convene an extraordinary meeting of the Board of Directors, or include in the agenda of the call the items the director considers appropriate.

- g. Object to resolutions contrary to the Law, the Articles of Association, these Regulations, or any other Company's internal rule or the corporate interest, and request their position to be recorded in the minutes if they deem it more useful for the safeguarding of the corporate interest. Independent directors and other directors not affected by the potential conflict of interest will especially clearly express their objection to decisions that may harm shareholders not represented on the Board of Directors.

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

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

- 3. In any event, directors will dedicate the time and effort necessary to perform their role effectively, and they will consequently inform the Appointments, Remuneration and Sustainability Committee of their other professional obligations, in case these could interfere with the dedication required.
- 4. The duty of care shall be deemed to have been exercised when the director has acted in good faith, without any personal interest in the matter under consideration, with sufficient information and in accordance with an appropriate decision-making procedure.

Article 28 bis. Duty of Loyalty

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

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

- a. Not to exercise their powers for purposes other than those for which they have been granted.
- b. To keep secret the information, data, reports or records to which he has had access in the performance of his duties, even when he has ceased to hold them, except in cases where the Law allows or requires it, under the terms provided in Article 29 below.
- c. Refrain from participating in the deliberation and voting of agreements or decisions in which he or a related person has a direct or indirect conflict of interest. Agreements or decisions that affect him as a director, such as his appointment or revocation to positions on the Board of Directors or others of similar significance, shall be excluded from the above obligation to abstain.

- d. To carry out their functions under the principle of personal responsibility with freedom of judgement and independence from instructions and links to third parties.
- e. Adopt the necessary measures to avoid situations in which their interests, whether on their own account or on behalf of others, could come into conflict with the Company's interests and their duties towards the Company.

Article 29. Directors' duty of confidentiality

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

Article 30. Obligation of non-competition

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

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

Article 31. Conflicts of interest

1. A conflict of interest will be deemed to exist in those situations wherein the interest of the Company or of the companies forming part of its Group and the personal interest of the director directly or indirectly conflict. The director has a personal interest when the

matter affects him/her or a person related to him/her.

2. For the purposes of this Title IX, related persons to the director shall be understood to be:
 - i. A spouse or other person related by a like relationship of affection.
 - ii. The ascendants, descendants, or siblings of the director or of the spouse (or person related by a like relationship of affection) of the director.
 - iii. The spouses of the ascendants, descendants, and siblings of the director.
 - iv. The Companies or entities in which the director holds directly or indirectly, even through an intermediary, a shareholding that gives significant influence or plays a position in the administrative body or senior management in them or in their parent company. For these purposes, it is presumed that significant influence is conferred by any shareholding equal to or greater than 10% of the share capital or of the voting rights or by virtue of which it has been possible to obtain, de jure or de facto, a representation on the administrative body of the company.
 - v. The Companies or entities in which the director or any related person, acting personally or through a nominee, exercises a managerial or leadership position or from which he/she receives remuneration for any reason.

In the case of proprietary directors, this includes the shareholders at whose proposal their appointment was made.

3. In particular, the directors should refrain from carrying out transactions with the Company except for those that are subject to waiver in accordance with the provisions of the Law and these Regulations or those that are approved in accordance with the provisions of the Law and article 37 of these Regulations in connection with Related-party Transactions, as appropriate.
4. In any case, Directors will disclose to the Board of Directors of the Company, any conflict, direct or indirect, that he or persons linked to him may have with the interest of the Company.
5. Situations of conflict of interest incurred by directors shall be disclosed in the notes to the annual accounts.

Article 32. Use of company assets

Directors may not use company assets, including confidential information of the Company, for private purposes nor obtain advantages or remuneration from third parties other than the Company and its Group associated with the performance of their duties, except in the case of mere courtesy.

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

Article 33. Non-public information

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

Article 34. Business opportunities

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

Article 35. Indirect transactions

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

Article 36. Directors' duties of disclosure

1. Directors will disclose to the Board of Directors any shares thereof directly or indirectly held by persons linked to him specified in article 31 of these Regulations, all in accordance with the provisions of the Company's Internal Code of Conduct in the Stock Markets.
2. Directors will also disclose to the Board of Directors any positions he/she holds on the Boards of Directors of other listed or not companies, as well as on other paid activities of whatever nature and generally the facts, circumstances, or situations that may be relevant to his/her service as manager of the Company in accordance with the provisions of these Regulations.
3. Likewise, directors will also disclose to the Board of Directors when situations arise that affect them, related or not to their actions within the Company, that may damage the credit and reputation of the Company, and they will particularly inform the Board of any criminal case in which they appear as investigated as well as of the procedural developments thereof.

The Board of Directors, having been informed of or otherwise become aware of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, attending to the particular circumstances, will decide, based on a report from the Appointments, Remunerations and Sustainability Committee, whether or not to adopt any measures such as opening an internal investigation, requesting the resignation of the director or proposing his removal to the General Shareholders' Meeting. This will be reported on in the annual corporate governance report, unless special circumstances justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company should disseminate, if

appropriate, when the corresponding measures are adopted.

TITLE X – RELATED-PARTY TRANSACTIONS

Article 37. Related-party Transactions

1. The Board of Directors is competent for the knowledge and approval, following a report from the Audit and Control Committee, of the transactions that the Company or companies of its Group execute with directors, shareholders holding ten percent (10%) or more of the voting rights or represented on the Board of Directors of the Company, or with any other persons who must be considered related parties under the Spanish Corporate Enterprises Act provisions (“Related-party Transactions”), unless their approval corresponds to the General Meeting.
2. For the purposes of the provisions of the previous section, transactions between the Company and its directly or indirectly wholly owned subsidiaries, the approval by the Board of Directors of the terms and conditions of the contracts to be signed with any directors with executive functions, including, if applicable, the Chief Executive Officer, or senior officers, including the determination of the specific amounts or remuneration to be paid under such contracts, shall not be considered as Related-party Transactions.

Transactions between the Company and its subsidiaries or investees, provided that no other related party has interest in those subsidiaries or investees, shall also not be considered Related-party Transactions.

3. The General Meeting is responsible for approving Related-party Transactions with a value or amount equal to or greater than ten percent (10%) of the total balance sheet assets, according to the latest annual balance sheet approved by the Company. The approval of the remaining Related-party Transactions shall correspond to the Board of Directors, which may not delegate this competence except for Related-party Transactions between companies forming part of the Group conducted within the scope of ordinary management activities and under market conditions, as well as Related-party Transactions approved under contracts whose standardized terms are applied globally to a large number of customers, concluded at prices or rates generally established by whoever acts as supplier of the good or service in question, and for an amount not exceeding 0.5% of the Company's net turnover.
4. The Audit and Control Committee shall issue a report prior to the approval of a Related-party Transaction by the General Meeting or the Board of Directors. In this report, the Committee shall assess the fairness and reasonability of the transaction from the Company's point of view and, if applicable, from the point of view of the shareholders other than the related party, and explain the assumptions on which its assessment is based on and the methods used.

The members of the Audit and Control Committee affected by the Related-party Transaction may not participate in the preparation of the report.

This report is not required for carrying out Related-party Transactions whose approval has been delegated by the Board of Directors in the legally permitted cases and provided for in these Regulations.

5. When, in accordance with the provisions of section 3 above, the Board of Directors

delegates the approval of Related-party Transactions, the Board of Directors itself shall establish an internal information and periodic control procedure to verify the fairness and transparency of those transactions and, if applicable, compliance with the applicable legal criteria.

6. The Board of Directors shall ensure the public disclosure of the execution of Related-party Transactions entered by the Company or companies of its Group and whose amount reaches or exceeds five percent (5%) of the total amount of the asset headings or 2.5% of the annual amount of the Company's turnover.

For such purposes, a report with the legally stipulated content must be published in an easily accessible part of the Company's website, which must be likewise notified to the National Securities Market Commission. The announcement must be published and notified, at the latest, at the time the Related-party Transaction is executed and must be accompanied by the report issued by the Audit and Control Committee, when applicable.

7. In order to determine the amount of a Related-party Transaction, the transactions entered into with the same counterparty in the previous twelve months shall be recorded on an aggregate basis.

TITLE XI.- INFORMATION POLICY AND RELATIONS OF THE BOARD

Article 38. Website

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

Article 39. Relations with shareholders

1. The Board of Directors will determine the appropriate channels to hear proposals prepared by the shareholders in relation to the management of the Company.
2. The Board, through some of its members and with the collaboration of the members of senior management it deems pertinent, will be able to organise informational meetings about the progress of the Company and its Group for the shareholders residing in the most relevant financial centers in Spain and abroad.
3. The Board of Directors will likewise establish adequate mechanisms for the regular exchange of information with the institutional investors that form part of the shareholding of the Company. Under no circumstances will the relations between the Board of Directors and the institutional shareholders result in the delivery to the latter of any information that could provide them with a privilege or advantage over the other shareholders.

4. The Board of Directors shall define and promote a policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors that fully respects the rules against market abuse and gives similar treatment to shareholders in the same position, including the policy of communicating economic-financial, non-financial and corporate information.

The Company shall make the aforementioned policy public through its website, including information on how it has been implemented, and will identify the partners or persons responsible for carrying it out.

5. Any public request for the delegation of votes made by the Board of Directors or by any of its members will indicate the direction in which the representative will vote in case the shareholder does not provide instructions.
6. The Board of Directors will promote the informed participation of the shareholders in the General Meetings and will adopt any appropriate measures to enable the General Shareholders' Meeting to effectively exercise the functions inherent thereto in accordance with the law and the Articles of Association.

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

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

Article 40. Relations with the markets

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

Article 41. Relations with auditors

1. It falls upon the Audit and Control Committee to propose to the Board of Directors, for its subsequent submission to the General Shareholders' Meeting, the appointment (specifying the terms of engagement and the scope of professional authority), renewal, and revocation of the auditor of the annual accounts of the Company, and to supervise compliance with the audit contract in accordance with article 14 of these Regulations.
2. The Audit and Control Committee will refrain from proposing to the Board of Directors, and the latter will likewise refrain from submitting to the General Shareholders' Meeting, the appointment as auditor of the Company of any auditor deemed precluded in accordance with audit regulations, as well as those companies whose fees expected to be billed to the Company, for all items, exceed 5% of its total revenues for the preceding fiscal year.

Article 42. Relations with senior management of the Company

The relations between the Board of Directors and the senior management of the Company, as provided in these Regulations, will necessarily be channeled through the Chairman of the Board of Directors or the Chief Executive Officer, if any, and in the absence of such persons, through the Secretary of the Board of Directors.

* * *



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ANNEX II

**Regulations of the Board of Directors
approved at the Board meeting of February 24, 2023**

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

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



Madrid, ~~17 November 2022~~ February 24, 2023



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

TITLE I. - INTRODUCTION

Article 1. Origin and purpose

1. These Regulations have been approved by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the “**Company**”), following reporting to the General Shareholders’ Meeting, pursuant to the provisions in article 516 of the consolidated text of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the “**Spanish Corporate Enterprises Act**”). These Regulations are intended to establish the principles for action for the Board of Directors, the basic rules of its organisation and functioning, and rules of selection, appointment, re-election and dismissal as well as the conduct rules for its



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members.

2. The conduct rules established in these Regulations for the Company directors will also apply to the Company's senior management, to the extent that they are compatible with their specific nature and the activities performed. For purposes of these Regulations, "senior management" will be defined as those managers who directly report to the Board of Directors or the Chief Executive Officer, if any, and in any case to the person in charge of the Company's internal auditing.

Article 2. Interpretation

1. These Regulations complete the regulatory regime that applies to the Board of Directors established in the regulations in force and in Articles of Association of the Company. It will be interpreted pursuant to the applicable legal and statutory regulations and the principles and recommendations on the corporate governance of listed companies established by supervisory bodies or other authorities of renowned prestige assumed by the Company.
2. The Board of Directors will be responsible for settling any doubt arisen by the application and interpretation of these Regulations in accordance with the general criteria for the interpretation of the legal provisions.

Article 3. Amendment

1. These Regulations may be amended only at the request of the Chairman of the Board of Directors, by one third of the directors or the Audit and Control Committee, and in any case the proposal for amendment must be accompanied by an explanatory report, as well as by a report prepared by the Audit and Control Committee, except when that proposal is issued by the aforementioned Committee.
2. The text of the proposal and the explanatory report of its authors must be attached to the call to the meeting of the Board that is to make a decision on it. The call to meeting must be made at least ten days in advance.
3. These Regulations must be updated whenever required to adapt their contents to the applicable provisions in force.

Article 4. Disclosure obligations

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

TITLE II. - FUNCTION OF THE BOARD



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Article 5. Competences of the Board of Directors

1. The Board of Directors is competent to adopt and pass resolutions on all sorts of matters that are not attributed to the General Shareholders' Meeting by the Articles of Association of the Company or the Law.
2. The Board of Directors' policy, which has the broadest powers and faculties to manage, lead, run and represent the Company, is to focus its activity, within the legal limits, on the general function of strategic coordination and the definition and supervision of the basic management guidelines of the Company and its Group, deciding on matters of strategic relevance at Group level, respecting the respective functional areas and responsibilities of each entities that form part of the Group and operating in interest of all of them, entrusting the direction and ordinary management of the Company to the Chairman, to the Chief Executive Officer, if any, and senior management team, of the Company.

Furthermore, the Board of Directors, as the core of its mission, approves the Company strategy and the organization required for its implementation. Furthermore, the Board oversees and ensures that the senior management achieves the goals set and complies with the Company's goals and corporate interest.

3. Those powers that are reserved by law or by the Articles of Association to the direct decision of the Board of Directors or those required for responsible exercise of the general supervisory function by the Board of Directors may not be delegated.
4. Notwithstanding, if applicable, the legal power of delegation and empowerment for execution of the specific decisions adopted, the Board of Directors will directly exercise, at its own initiative or at the proposal of the relevant internal body, the following competences and powers:
 - a. The supervision of the effective operating Committees that it has constituted and the performance of the delegated bodies and the managers that it has designated.
 - b. To determinate the Company's general policies and strategies, and in particular:
 - i. the strategic or business plan, as well as the annual management goals and budget;
 - ii. the investment and financing policy;
 - iii. the definition of the structure of the Company's Group;
 - iv. the governance policy of the Company ~~an~~and its Group;
 - v. the corporate social responsibility policy and sustainability in environmental and social aspects;
 - vi. the risk control and management policy, including tax risks as well as the supervision of the internal reporting and control systems;
 - vii. the dividends policy;
 - viii. treasury shares policy;



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- ix. tax strategy of the Company.
- c. The filing of the annual statements, the management report, and the proposal for distribution of the Company's earnings, as well as the consolidated statements and management report for submission to the General Shareholders' Meeting.
- d. The call to the General Shareholders' Meeting, as well as the preparation of the agenda and the agreement proposal.
- e. The authorization or waiver of the obligations derived from the duty of loyalty, pursuant to the provisions in the applicable legislation, Articles of Association and these Regulation.
- f. The formulation of any kind of report required by Law to the Board of Directors, provided that the operation to which the report refers cannot be delegated.
- g. The enforcement of the Company's own shares policy as authorized by the General Shareholders' Meeting.
- h. The approval of payment of interim dividends.
- i. The appointment of directors by means of co-option and the submission of proposals to the General Shareholders' Meeting on the appointment, ratification and reelection of directors who are not independent, following a report from the Appointments, Remuneration and Sustainability Committee, or the removal of those directors.
- j. The approval of each director's remuneration, following a proposal from the Appointments, Remuneration and Sustainability Committee, in accordance with the remunerations proposal approved by the General Shareholders' Meeting.
- k. The appointment and removal of Chief Executive Officer, if any, as well as the prior approval of the contract to be entered by the Company and the director, to whom executive functions are attributed, including those compensation items for which they could receive remuneration for the performance of those functions.
- l. The appointment and renewal of the internal positions in the Board of Directors and the members and internal positions in their Committees.
- m. The appointment and potential removal of senior managers.
- n. The approval of the remuneration policy as well as the basic terms of the contracts of the Company's senior managers, on the basis of the proposal made by the Chairman of the Board of Directors or the Chief Executive Officer, if any, which will be submitted to the Board of Directors by the Appointments, Remuneration and Sustainability Committee.
- o. The supervision of the process of preparation and presentation of the financial information and of the management report, including, where appropriate, the required non-financial information, and the approval of any financial information that the Company, as a listed company, must make public on a regular basis.



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- p. The formulation, if applicable, of the statement of non-financial information for its presentation to the General Shareholders' Meeting.
 - q. The approval of any investments, divestments or transactions of any kind in which, due to their high amount or special characteristics, have a strategic nature or especial tax risk, unless their approval correspond to the General Shareholders' Meeting.
 - r. The approval of the creation or acquisition of shares in special-purpose vehicles or entities established in countries or territories that are regarded as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could damage Company and its Group's transparency.
 - s. The approval, following a report by the Audit and Control Committee, of the Related-party Transactions, unless its approval corresponds to the General Shareholders' Meeting and without prejudice to of the possibility of delegation by the Board of Directors, in the cases and under the terms established by Law and these Regulations.
 - t. The ruling on any takeover bid made on stock issued by the Company.
 - u. Its organization and functioning and, in particular, the approval and amendment of these Regulations, following a report from the Audit and Control Committee.
 - v. Preparing the Company's Annual Governance Report and the sustainability report or annual report, as well as the Annual Report on the Directors Remuneration.
 - w. The annual evaluation of the quality and efficiency of the Board of Director's and its Committees, proposing, on the basis of its result, an action plan to correct the deficiencies detected, in the terms provided for in article 18 of these Regulation.
 - x. The powers that the General Shareholders' Meeting has delegated to the Board of Directors, unless it has been expressly authorized by it to sub-delegate them.
 - y. Any other matter on which decision-making is reserved by the Regulations of the Board of Directors to the Board in a plenary meeting.
5. When there are urgent circumstances, duly justified, the decisions corresponding to the above matters may be adopted in the cases legally permitted by the bodies or persons delegated, which must be ratified at the first Board of Directors meeting held after the decision is adopted.
6. The Board will approve a diversity policy of the Board of Directors and the selection of directors aimed at promoting an appropriate composition of the Board Directors that will be specific and verifiable and will ensure that the proposals for appointment or re-election are based on a prior analysis of the competences required by the Board of Directors and promote diversity of knowledge, experience, age and gender in accordance with the best corporate governance practices.

The result of the prior analysis of the competences required by the Board of Directors will be collated in the report or proposal by the Appointments, Remuneration and Sustainability Committee, which will be published when the General Shareholders'



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Meeting is called to which the ratification, appointment or re-election of each director is submitted.

Article 6. Corporate interest

1. The Board of Directors will perform its functions with a single purpose and independence, treating all shareholders in identical conditions equally and seeking the Company's interest, which is understood as the achievement of a profitable and sustainable business in the long term, which promotes its continuity and maximization of the Company's financial value.
2. In the pursuit of the social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted customs and good practices, the Board of Directors shall endeavour to reconcile its own social interest not only with the best defense and protection of the interests of all the shareholders, from whom its mandate comes and to whom it is accountable, but also with, as appropriate, the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and on the environment.

TITLE III. - COMPOSITION OF THE BOARD OF DIRECTORS

Article 7. Quantitative composition

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

Article 8. Qualitative composition

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



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of the Company capital represented by the proprietary directors to the rest of the capital.

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

TITLE IV.- STRUCTURE OF THE BOARD OF DIRECTORS

Article 9. The Chairman

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

Article 10. The Deputy Chairman

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

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

1. The Board of Directors will appoint, at the proposal of its Chairman, a Secretary, who



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

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

2. The Secretary will assist the Chairman in his or her duties and will ensure the proper functioning of the Board, devoting special attention to providing directors with the necessary advice and information to carry out their duties with sufficient notice and in the appropriate format, preserve the corporate documents, will duly record meetings and their proper conducting in the minutes book, and will bear witness to the decisions of the body. Likewise, the Secretary of the Board of Directors will also record in the minutes of the meetings of the Board any concerns on the Company affairs not settled by the Board of Directors that were raised by directors, as well as any concerns raised by the Secretary or the directors with regard to any proposal, at the request of the party that raised the corresponding concern.
3. The Secretary will especially ensure that the actions of the Board of Directors (i) comply with the letter and spirit of the laws and its regulations, including those approved by the regulatory bodies; (ii) comply with the Articles of Association and with the Regulations of the General Shareholders' Meeting, the Board of Directors, and the Internal Conduct Regulations in Stock Markets; and (iii) consider the recommendations on corporate governance applicable to the Company.
4. The Board of Directors may have a Legal Counsel to the Board of Directors who will perform the functions provided in the legislation in force. The Secretary or, if applicable, the Deputy Secretary, may hold the position of Legal Advisor to the Board of Directors when he or she is a lawyer and meets the other requirements established in the legislation in force.

Article 12. The Deputy Secretary of the Board of Directors

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

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

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

Article 13. Delegated and advisory bodies



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1. Notwithstanding any powers of attorney granted to any individual, the Board of Directors may create, on a permanent basis, an Executive Committee comprised a minimum of three and a maximum of seven members, and may also appoint a Chief Executive Officer at the proposal of the Chairman of the Board, and may delegate to them, totally or partially, on a temporary or on a permanent basis, all the powers that can be delegated under the Law. The delegation and appointment of the members of the Board of Directors to hold these positions will require the favourable vote of two thirds of the members of the Board of Directors, and will not come into effect until they are registered in the Commercial Registry.
2. The Company will ensure that, insofar as possible, in the Executive Committee will be at least two non-executive directors, being one of them independent. The position of Secretary of the Executive Committee will be held by the Secretary of the Board of Directors.
3. The Chairman of the Executive Committee will report to the Board of Directors on any matters discussed and the decisions adopted in its meetings, minutes of which will be recorded and a copy will be sent to all the members of the Board of Directors.
4. If the Chairman of the Board of Directors performs executive functions, the Board of Directors, with the abstention of the executive directors, must necessarily appoint a lead independent director from amongst the independent directors, who will be specially authorised to:
 - a. Ask the Chairman of the Board of Directors to call a meeting of this body whenever he or she deems it appropriate.
 - b. Request the inclusion of matters on the agenda of the meetings of one Board of Directors, already convened.
 - c. Chair meetings of the Board in the absence of the Chairman and the Deputy Chairmen, if any.
 - d. Coordinate and meet the external directors non-executive, echoing their concerns.
 - e. Lead the appraisal of the Chairman of the Board of Directors.
 - f. Contact investors and shareholders to find their views in order to form an opinion on their concerns, in particular regarding the company's corporate governance.
 - g. Coordinate the Chairman's succession plan.
5. In addition, an Audit and Control Committee and an Appointments, Remuneration and Sustainability Committee with the power of information, oversight, advice, and proposal in those matters that fall under its competence will be created as provided in Sections 14 and 15 of these Regulations and, where appropriate, in their own Regulations.
6. Likewise, the Board may create other committees with advisory or consulting functions. The Chairman, the Secretary, and the other members of those committees will be appointed by the Board of Directors.



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

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

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

2. The Board of Directors will appoint the Chairman of the Committee from amongst the independent directors that form part thereof. ~~The position of Secretary and Deputy Secretary of the Audit and Control Committee will be held by the Secretary of the~~ Board of Directors, shall appoint a Secretary of the Committee and, if applicable, ~~by the~~ Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

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

3. Without prejudice to any other tasks that may be assigned at any time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:
 - a. With regard to the supervision of financial and non-financial information:
 - i. Report to the General Shareholders' Meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the Committee in this process.
 - ii. Oversee the process of preparing and submitting the required financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
 - iii. Oversee that the annual accounts the Board of Directors presents to the General Shareholders' Meeting are drawn up in accordance to accounting legislation. However, in those cases where the auditors includes any qualification in its report, the Chairman of the Audit and Control Committee should give a clear explanation at the General Shareholders' Meeting of their opinion regarding the content and scope. Likewise, a summary of that opinion will be available to the



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shareholders at the time of the publication of the notice of the General Shareholders' Meeting.

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

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

- i. Oversee and evaluate the preparation and the integrity of the financial and nonfinancial information prepared on the Company and, where appropriate, the Group, checking the fulfilment of legal provisions, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles.
- ii. Oversee on a regular basis the effectiveness of the internal control of the Company and its Group as well as the activities of the Company's internal audit function, discussing together with the auditors and any significant weaknesses in the internal control system detected in the audit, all without diminishing its independence. To that effect, and where applicable, the Committee will submit recommendations or proposals to the Board of Directors and the corresponding period for the follow-up thereof.
- iii. Ensure in general that the policies and systems established for internal control are effectively implemented in practice.
- iv. Oversee the unit that assumes the internal audit function, which will oversee the proper functioning of the reporting and internal control systems and will report functionally to the Chairman of the Audit and Control Committee and, in particular: (a) monitor the independence and effectiveness of the internal audit function; (b) propose the selection, appointment and removal of the head of the internal audit unit; (c) propose the unit t's budget; (d) approve its priorities and the annual internal audit work plan, ensuring that its activity focuses primarily on the main risks(including reputational ones); (e) receive regular reports on its activities; (f) and verify that senior management take into account the findings and recommendations of its reports.

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

- v. Establish and monitor a mechanism whereby employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors and subcontractors can report any potentially significant



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irregularities within the Company or its Group, including financial and accounting irregularities, or those of any other nature. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.

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

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

- iv. Issue an annual report, prior to the issue of the auditors' report, containing an opinion on whether the independence of the auditors or audit companies has been compromised, which will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting. Such report shall, in all cases, contain the reasoned evaluation of the provision of each and every one of the additional services mentioned in the letter above, considered individually and as a whole, other than legal audit services, and in relation to the rules on independence or in accordance with the regulations governing audit activities.
- v. Preserve the independence of the external auditor in the performance of its duties and, for such purpose: (i) ensure that the Company notifies through the Spanish National Stock Market Commission any change of auditor, accompanied by a statement of any possible disagreements arising with the outgoing auditor and, if any, of their content; (ii) ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services and, in general, other requirements designated to safeguard auditors' independence; and (iii), in the event of auditor's resignation,



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examine the reasons thereto.

- vi. In the case of groups, the Committee should encourage the Group auditor to take on the auditing of all companies of the Group.
 - vii. Ensure that the remuneration of the external auditor does not compromise its quality or independence.
 - viii. Ensure that the external auditor has an annual meeting with the Board of Directors in plenary session to inform it of the work undertaken and developments in the Company's risk and accounting positions.
- d. With regard to the oversight of risk management and control:
- i. Oversee and evaluate the effectiveness of the risk and control management systems including financial and non-financial relative to the Company or, where appropriate, to the Group (including operating, technological, legal, social, environmental, political and reputational or those related to corruption) and, in particular, review these systems in order for the main risks to be properly identified, managed and disclosed.
 - ii. Oversee the internal risk management and control function.
 - iii. In relation to the risk control and management policy, identify or determinate at least: (i) the different types of risk (operating, technological, financial, legal, reputational, including those related to corruption) to which the Company is exposed, including financial or economic risks of contingent liabilities and other off-balance sheet risks; (ii) a risk control and management model based on different levels (iii) the level of risk that the Company deems acceptable; (iv) the measures in place to mitigate the impact of the identified risks, should they occur; and (v) the internal reporting and control systems to be applied to control and manage the aforementioned risks, including contingent liabilities and offbalance risks.
- e. With regard to the obligations of listed companies:
- i. Report to the Board of Directors, prior to the Board passing the related resolutions on the following:
 - a. The incorporation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
 - b. The economic terms, the accounting impact and, where applicable, the impact on the exchange ratio of the structural changes and corporate transactions that the Company plans to carry out.
 - c. Any amendment to the internal code of conduct.
 - ii. Inform and issue the reports that are mandatory about Related-party Transactions to be approved by the General Shareholders' Meeting or the



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Board of Directors and oversee the internal procedure established by the Company for those whose approval has been delegated by the Board of Directors in accordance with applicable regulations.

Additionally, to also issue the annual report that, where applicable, the Audit and Control Committee issues on Related-party Transactions, that will be available to shareholders and investors through the Company's website well in advance of the Ordinary General Shareholders' Meeting.-

- f. With regard to the supervising compliance with the policies and rules of the Company's corporate governance obligations, and the internal rules of conduct:
- i. Monitor compliance with legal requirements and the Company's internal governance regulations and the internal codes of conduct, ensuring that the corporate culture is aligned with its purpose and values.
 - ii. Regularly review the Company's internal governance regulations and propose to the Board of Directors, for approval or submission at the General Shareholders' Meeting, as the case may be, any amendments and updates that contribute to its development and ongoing improvement.
 - iii. Promote the Company's corporate governance strategy, as well as regularly evaluate and review the Company's corporate governance system, in order to confirm that it is fulfilling its mission to promote the corporate interest and consider, as appropriate, the legitimate interests of remaining stakeholders.
 - iv. Oversee the general policy relative to the communication of ~~economic~~ financial, non- financial and corporate information, as well as the communication with shareholders and investors, proxy advisors and other interest groups. Likewise, will be followed the way the Company communicates and relates with small- and medium-sized shareholders.
 - v. Be apprised of, promote, guide and oversee the Company's performance regarding corporate reputation and report thereon to the Board of Directors or, where applicable, to the Executive Committee.
 - vi. Report on, prior to its approval, the Company's annual governance report, obtaining for such purposes the reports from the Appointments, Remuneration and Sustainability Committee in relation to these sections of such report that are within their competence.
- g. Other functions of the Committee:
- i. Oversee the calculation of fees received by the Management Company in the performance of its functions.
 - ii. Appoint and supervise the services of external appraisers in relation to the appraisal of the Company's assets.

4. The Audit and Control Committee will meet, ordinarily, on a quarterly basis, for the



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

Article 15. Appointments, Remuneration and Sustainability Committee.

Composition, competences and operation

1. The Board of Directors will create, on a permanent basis, an Appointments, Remuneration and Sustainability Committee, an internal informative and consultative body, with no executive functions, with faculties of information, advice and proposal within the scope of action provided in Section 4 of this article. The Appointments, Remuneration and Sustainability Committee will be comprised a minimum of three and a maximum of five members, appointed by the own Board of Directors, amongst the non-executive directors, at the proposal of the Chairman of the Board. A majority of the members of the Appointments, Remuneration and Sustainability Committee will be independent directors. ~~Likewise, the Board of Directors will appoint the Committee's Chairman from amongst the independent members that form part of such Committee. The role of Secretary and the Deputy Secretary of the Appointments, Remuneration and Sustainability Committee will be performed by the Secretary of the Board of Directors and, where applicable, by the Deputy Secretary of the Board.~~



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~~2.~~ The members of the Appointments, Remuneration and Sustainability Committee will have the appropriate knowledge, aptitudes and experience for the functions they are called on to perform, without prejudice to also seeking to promote diversity, taking into account the principle of proportionality, in relation to gender, professional experience, skills, personal abilities, sectoral knowledge or international experience.

~~2.~~ ~~3.~~ The members of the Appointments, Remuneration and Sustainability Committee will hold their positions while their appointment as directors of the Company remains valid, unless the Board of Directors decides otherwise.

~~3.~~ The Board of Directors will appoint the Committee's Chairman from amongst the independent members that form part of the Committee.

The Board of Directors shall appoint a Secretary of the Committee and, if applicable, a Deputy Secretary. The Secretary of the Board, its Deputy Secretary or any other person, whether or not a member of the Board of Directors, with the aptitude to perform the duties inherent to such positions, may be appointed for such positions.

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

- a. Competences with regard to the composition of the Board of Directors and its Committees:
 - i. Advise and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, in particular, evaluate the necessary competences, knowledge and experience in the Board of Directors. To this end, the Board will define the necessary functions and skills of candidates who will cover each vacancy and will evaluate the time and dedication needed for to properly perform their duties, ensuring that non-executive directors have sufficient time available for the proper performance of their duties.
 - ii. Shall ensure that in the promotion of new vacancies or the nomination of new directors, the selection procedures do not include implicit processes that might imply any discrimination and, in particular, that might impede the selection of women. In particular, will be established a representation goal for the less represented sex on the Board of Directors and will be provided guidelines on how to achieve such goal.
 - iii. Propose to the Board of Directors the policy of diversity of the Board of Directors and selection of directors. Likewise, will be drawn up the report referred to in article 5.6 of these Regulations and will be verified, annually, compliance with the policy of diversity Board of Directors and selection of directors, reporting on this in the annual corporate governance report.
 - iv. Annually verify compliance with the criteria for promoting diversity in the



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composition of the Board of Directors established by the Company, which will be reported in the annual corporate governance report.

- v. Advise the Board of Directors about the most appropriate configuration of the Board of Directors and of its Committees, both in size and balance between the different classes of members at all times. To this end, the Committee will regularly review the structure of the Board of Directors and of its Committees, particularly when vacancies occur in these bodies.
 - vi. Verify periodically the Directors' category.
 - vii. Inform of or draw up proposals with regard to nomination or removal of the members who should form part of each of the Committees.
- b. Competences related to the selection of candidates to become board members and senior managers:
- i. Select the possible candidates to be, as applicable, nominated as board members of the Company and presenting its proposals or reports, as applicable, to the Board of Directors via its Chairman.
 - ii. Bring to the Board of Directors the nomination proposals (for its decision or for submission to the decision of the General Shareholders Meeting) for the non-executive members, and the re-election proposals for such directors by the General Shareholders Meeting.
 - iii. Inform the Chairman of the Board of Directors of the nomination proposals (for approval or for submission for decision of the General Shareholders Meeting) of the remaining members and the re-election proposals for such directors by the General Shareholders Meeting.
 - iv. Inform of the proposals of the Chairman of the Board of Directors or of the Chief Executive Officer, if any, related to the appointment or removal of senior managers.
- c. Competences related to and to the process for appointing internal positions of the Board of Directors:
- i. Inform of the proposals with regard to the appointment or removal of the Chairman of the Board of Directors.
 - ii. Advise of proposals of the Chairman of the Board of Directors regarding the appointment or removal of the Chief Executive Officer.
 - iii. Examine or organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company, if any, and, as applicable, making proposals to the Board of Directors such that this succession occurs in an orderly and planned way.
 - iv. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Deputy Chairman or Deputy Chairmen of the Board of Directors.



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- v. Bring to the Board of Directors the proposal of nomination of an independent coordinating director especially allowed in the event that the Chairman of the Board of Directors exercises executive functions, and inform of proposals for his/her removal.
 - vi. Advise of the proposals of the Chairman of the Board of Directors related to nomination or removal of the Secretary and, as applicable, of the Deputy Secretary or Deputy Secretaries of the Board of Directors, of the Secretary General and of the Legal Counsel.
- d. Competences related to the evaluation of board members:
- i. Establish and oversee an annual programme of continuous evaluation and review of the qualification, education and, as applicable, independence, as well as maintenance of the terms needed to exercise the role of board member and committee member, and proposing to the Board of Directors those measures it considers appropriate in this regard.
 - ii. Conduct in coordination with the Chairman of the Board and with the support, where appropriate, of the independent coordinating director, the annual evaluation of its own functioning and that of its Committees including the evaluation of the performance of the Chairman of the Board of Directors and of the Chief Executive Officer, if any, and submit to the board the results of its evaluation together with a draft action plan and recommendations to correct any deficiencies identified or to improve the functioning.
- e. Competences related to the withdrawal and termination of board members.
- i. Inform the Board of Directors about proposals for removal of non-~~independents~~independent directors in case of breach of the duties inherent in the role of member or where the circumstances of mandatory dismissal or termination have been incurred in accordance with the Law or the Company's internal regulations.
 - ii. Submit to the Board of Directors the proposals of removal of independent members in the event of non-compliance with the duties inherent to the office of director or for having incurred in any of the circumstances of resignation or dismissal, in compliance with the Law or the Company's internal standards.
- f. Competences related to remuneration of directors and senior managers:
- i. Propose to the Board of Directors the remuneration policy applicable to directors and senior managers.
 - ii. Regularly review the members reward policy and senior managers, including share based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company, ensuring its compliance and proposing modifications and updates to the Board of Directors.



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- iii. Propose the basic terms of the contracts to be entered into by the Company with the executive directors for approval by the Board of Directors, including their remuneration and any compensation that may be fixed for early termination in their functions and the amounts to be spent by the Company on insurance premiums or savings system contributions, always in compliance with the Company's internal standards and, in particular, in accordance with the remuneration policy approved by the General Shareholders Meeting.
- iv. Propose to the Board of Directors the individual determination of the remuneration of each director in that capacity, in accordance with the Articles of Association and the directors' remuneration policy, as well as the individual determination of the remuneration of each director who hold executive functions within the directors' remuneration policy's framework and in accordance with the provisions of his contract.
- v. Inform of and submit to Board of Directors the proposals of the Chairman of the Board of Directors or the Chief Executive Officer, if any, related to the senior managers' reward structure and the basic terms of their contracts, including any compensation that may be fixed for departure.
- vi. Oversee observance of the Company's remuneration programmes and advising on the documents to be approved by the Board of Directors for general disclosure about remuneration information, including the annual report on members' remuneration and the corresponding part of the Company's corporate governance annual report, and verify the information on directors and senior officers' pay contained in corporate documents.
- vii. Inform, in advance and prior to approval by the competent company body, the remuneration established for the non-executive members of other companies in the group.
- g. Competences related to sustainability in environmental and social aspects:
 - i. Oversee the Company's action in environmental and social matters are in accordance with the established strategy and policy, and report on them to the Board of Directors or, as applicable, to the Executive Committee.
 - ii. Evaluate and review periodically the Company's sustainability in environmental and social areas policy, in order to fulfil its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders, and supervising its degree of compliance.
 - iii. Oversee and evaluate processes for different interest groups.
- h. Report on the matters of Title IX of the Board of Directors Regulations, under the terms envisaged therein.



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- i. Ensure that any conflicts of interest do not prejudice the independence of the external consultancy supplied to the Committee in relation with the performance of its duties.
5. The Appointments, Remuneration and Sustainability Committee will meet, ordinarily, at least three times per year. Similarly, it will meet on request by any of its members and whenever called by its Chairman, who must do so whenever the Board or its Chairman request a report or the adoption of proposals and, in any event, whenever appropriate for the correct progress of its functions.
6. The Appointments, Remuneration and Sustainability Committee will be validly formed when a majority of its members are present or represented and its agreements are approved by an absolute majority vote of the members present or represented at the meeting. In the event of a tie, the Chairman of the Appointments, Remuneration and Sustainability Committee will have the deciding vote.
7. The Committee will produce minutes of its meetings, a copy of which will be sent to all members of the Board of Directors.
8. The Committee should establish an annual work programme, covering the main activities during the year.
9. The Appointments, Remuneration and Sustainability Committee will produce an annual report on its operations, highlighting the main events that have occurred, if any, related to its functions. The report of the Appointments, Remuneration and Sustainability Committee will be available to shareholders and investors via the web page with sufficient notice prior to the Ordinary General Meeting.
10. For best compliance with its functions, the Appointments, Remuneration and Sustainability Committee may call on the advice of external experts when it deems this necessary for suitable compliance with its functions.

TITLE V.- OPERATING RULES OF THE BOARD

Article 16. Meetings of the Board of Directors

1. The Board of Directors will meet as often as is appropriate to properly carry out its functions, and at least eight times per year and in the cases specified by the dates and matters schedule set at the beginning of the fiscal year. Any director may propose other, initially unforeseen items to be included in the agenda, provided such request is made at least three days prior to the scheduled date of the meeting.
 2. Likewise, the Board of Directors will meet at the initiative of the Chairman as many times as deemed appropriate by the latter for the proper operation of the Company, and also when requested in accordance with the provisions of the preceding article 13.4.a).
3. Meetings of the Board of Directors will be called by the Secretary of the Board of Directors, or whoever acts in such capacity, with the authorisation of the Board Chairman, by any means that allow to proof the receipt of the call. The call will be issued at least three days in advance thereof. The call will always include the meeting agenda and will be accompanied by relevant information that is duly prepared and



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summarised.

4. The Chairman of the Board of Directors may call extraordinary meetings of the Board whenever the circumstances so justify in his judgement, to which the advance notice and other requirements specified in the previous section will not apply. Notwithstanding the foregoing, it will be ensured that any documentation that must be provided to the directors will be delivered sufficiently in advance thereof.
5. Notwithstanding the foregoing, the Board of Directors will be deemed validly constituted without the need for a call if all the members present or represented unanimously accept the holding of the meeting and the items to be covered in the agenda. Further, voting by the Board of Directors may be conducted in writing and without a meeting, provided no director objects thereto.
6. The Board of Directors meeting may be held at various places connected to each other by systems enabling the recognition and identification of the attendees, the uninterrupted communication between the participants regardless of where they are located, and their participation and voting, all in real time.

Meeting attendees will be deemed attendees of the same and only meeting for all purposes related to the Board of Directors, regardless of place of attendance. The meeting will be deemed held at the location with the highest number of directors, and in the event of a tie, at the registered address.

7. The Chairman has the right to invite a representative of the Management Company to participate in the meetings held by the Board of Directors.
8. The Board will draw up an annual calendar of its ordinary meetings.

Article 17. Procedure of meetings

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



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Board of Directors.

6. The minutes will be approved by the Board of Directors itself at the conclusion of the meeting or in a subsequent meeting, the minutes may be partially approved at the end of the meeting if this proves necessary for any reason. Likewise, the proposed minutes may be sent by the Secretary or the Deputy Secretary for approval by means of remote communication that allow the recognition and identification of the Board Members.

Article 18. Annual evaluation

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

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

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

TITLE VI.- APPOINTMENT AND REMOVAL OF DIRECTORS

Article 19. Appointment of directors

1. Directors will be appointed by the General Meeting or by the Board of Directors in



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accordance with the provisions contained in the applicable regulations, the Articles of Association, and these Regulations.

2. Upon the appointment of a new director, he/she will follow a new director's orientation programme established by the Company, in order for him/her to quickly acquire sufficient knowledge of the Company, as well as its corporate governance rules.
3. Natural persons who do not meet any of the prohibitions or incompatibility causes established by Law may be directors of the Company.
4. The directors of the Company may sit on up to a maximum of four other boards of directors of listed companies on official secondary markets (apart from the Company) in Spain or abroad.

Article 20. Appointment of outside directors

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

Article 21. Re-election of directors

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

Article 22. Term of office

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

Article 23. Termination of directors

1. Directors will be terminated upon lapse of the period for which they were appointed and when the General Shareholders' Meeting so decides pursuant to its authority conferred by law or the Articles of Association.
2. Directors will place their position at the disposal of the Board of Directors and formalise their resignation in the following cases, provided the Board deems it



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appropriate:

- a. When they are terminated from the executive positions associated with their appointment as director.
 - b. When they become involved in any case of incompatibility, or prohibition under the law or the Articles of Association.
 - c. When they are seriously reprimanded by the Board of Directors for having breached their obligations as directors.
 - d. When their remaining on the Board may jeopardise or damage the interests, credit, or reputation of the Company, or upon the ceasing of the reasons for which they were appointed (for example, when a proprietary director disposes of his ownership interest in the Company or reduces it in a significant manner, as indicated in point f) below.
 - e. When sitting on more than four boards of directors of other listed companies on official secondary markets (apart from the Company) in Spain or abroad.
 - f. In the case of proprietary directors (i) when the shareholder they represent sells its full shareholding or significantly reduces it, and (ii) when this shareholder reduces its shareholding in the corresponding number to a level that requires the reduction of the number of proprietary directors.
3. In the event that, by resignation or by resolution of the General Meeting, a director departs office prior to the end of his/her term, he/she must explain as sufficient as he/she can the reasons for the dismissal, or if non-executive directors, its opinion on the reasons for the General Meeting resolution therefore in a letter that he/she will send to all the members of the Board.

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

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

Article 24. Objectivity of voting

In accordance with the provisions of article 28 bis.1.c) of these Regulations, the directors affected by proposals for appointment, re-election, or termination will refrain from participating in the deliberations and voting related thereto.



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TITLE VII.- DIRECTORS' RIGHT TO INFORMATION

Article 25. Powers of information and inspection

1. Directors may request information on any matter within the authority of the Board of Directors, and in this regard may examine its books, records, documents, and other documentation. The right to information extends in all cases to the subsidiary Companies and when possible to the investees.
2. Requests for information will be addressed to the Secretary of the Board of Directors, who will forward them to the Chairman of the Board of Directors and the appropriate contact person within the Company.
3. The Secretary will advise the director of the confidential nature of the information requested and received, and of his/her duty of confidentiality in accordance with the provisions of these Regulations.
4. The Chairman may deny the information request if he/she deems: (i) that it is not necessary to the proper performance of the functions entrusted to the director, or (ii) that its cost is unreasonable in view of the importance of the problem and the assets and revenues of the Company.

Article 26. Expert support

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

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

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

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

Article 27. Directors' remuneration

1. The directors will be entitled to receive the remuneration set in the Articles of Association.
2. Subject to the limits set forth in the Articles of Association and in the remuneration



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policy, the Board of Directors will seek to ensure that the remuneration of the directors be reasonably proportionate to the value of the Company, its financial situation at any given time, and the market standards for comparable companies. The remuneration system established will be aimed at promoting the long-term profitability and sustainability of the Company and incorporating the necessary precautions to avoid excessive risk taking and the reward of unfavourable results.

3. Likewise, the Board of Directors will seek to ensure that the remuneration of the directors is sufficient to offer incentives to attract and retain directors of the desired profile and remunerate the dedication, qualification, and responsibility required by the position, but not so high as to compromise the independence of judgement of non-executive directors.
4. Remuneration linked to the Company's results will take into account any qualifications stated in the auditor's report that reduce said results.

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

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

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

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

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

TITLE IX.- DIRECTORS' DUTIES

Article 28. Duty of care

1. Directors shall carry out their duties and duties imposed by law and by the Articles of Association with the diligence of an orderly businessman, taking into account the nature of the position and the functions attributed to them, subordinating, in any case,



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their particular interest to the social interest, and shall adopt the necessary measures for the good management and control of the Company.

2. Particularly and notwithstanding the obligations imposed by the Law and the Articles of Association, directors are obliged to:

- a. Be informed and adequately prepared for meetings of the Board of Directors and of the delegated bodies and advisory Committees to which they may belong.
- b. Attend meetings of the Board of Directors and actively participate in the deliberations so that their judgments are effectively reflected in decision-making.

In the event that, for fair cause, a director cannot attend the meetings to which he/she has been called, then he/she will designate a director to be his/her representative.

- c. Contribute their strategic vision, as well as concepts, criteria, and innovative measures for the optimal development and evolution of the business of the Company.
- d. Carry out any specific tasks entrusted to them by the Board of Directors or any of their delegated and/or consultative bodies and that are reasonably included in their commitment of dedication.
- e. Investigate any irregularity in the management of the Company of which they may have become notified and monitor any risk situation.
- f. Request the persons with the capacity to call meetings to convene an extraordinary meeting of the Board of Directors, or include in the agenda of the call the items the director considers appropriate.
- g. Object to resolutions contrary to the Law, the Articles of Association, these Regulations, or any other Company's internal rule or the corporate interest, and

request their position to be recorded in the minutes if they deem it more useful for the safeguarding of the corporate interest. Independent directors and other directors not affected by the potential conflict of interest will especially clearly express their objection to decisions that may harm shareholders not represented on the Board of Directors.

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

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

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



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

Article 28 bis. Duty of Loyalty

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

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

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

Article 29. Directors' duty of confidentiality

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

2. The obligation of confidentiality will survive even the termination of office, with directors required to maintain the secrecy of confidential information and information, data, reports, or background facts learned as a result of the exercise of office. Such items cannot be reported to third parties or disclosed when doing so could harm the corporate interest. The duties referred to in this paragraph are not applicable



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in those cases whereby the laws permit communication or disclosure of the items to third parties, or if applicable, they are required or requested to be sent to the corresponding supervisory authorities, in which case the transfer of information will comply with legal provisions.

Article 30. Obligation of non-competition

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

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

Article 31. Conflicts of interest

1. A conflict of interest will be deemed to exist in those situations wherein the interest of the Company or of the companies forming part of its Group and the personal interest of the director directly or indirectly conflict. The director has a personal interest when the matter affects him/her or a person related to him/her.
2. For the purposes of this Title IX, related persons to the director shall be understood to be:
 - i. A spouse or other person related by a like relationship of affection.
 - ii. The ascendants, descendants, or siblings of the director or of the spouse (or person related by a like relationship of affection) of the director.
 - iii. The spouses of the ascendants, descendants, and siblings of the director.
 - iv. The Companies or entities in which the director holds directly or indirectly, even through an intermediary, a shareholding that gives significant influence or plays a position in the administrative body or senior management in them or in their parent company. For these purposes, it is presumed that significant influence is conferred by any shareholding equal to or greater than 10% of the share capital or of the voting rights or by virtue of which it has been possible to obtain, *de jure* or *de facto*, a representation on the administrative body of the



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company.

- v. The Companies or entities in which the director or any related person, acting personally or through a nominee, exercises a managerial or leadership position or from which he/she receives remuneration for any reason.

In the case of proprietary directors, this includes the shareholders at whose proposal their appointment was made.

3. In particular, the directors should refrain from carrying out transactions with the Company except for those that are subject to waiver in accordance with the provisions of the Law and these Regulations or those that are approved in accordance with the provisions of the Law and article 37 of these Regulations in connection with Related-party Transactions, as appropriate.
4. In any case, Directors will disclose to the Board of Directors of the Company, any conflict, direct or indirect, that he or persons linked to him may have with the interest of the Company.
5. Situations of conflict of interest incurred by directors shall be disclosed in the notes to the annual accounts.

Article 32. Use of company assets

Directors may not use company assets, including confidential information of the Company, for private purposes nor obtain advantages or remuneration from third parties other than the Company and its Group associated with the performance of their duties, except in the case of mere courtesy.

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

Article 33. Non-public information

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

Article 34. Business opportunities

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

Article 35. Indirect transactions

Directors are in breach of their duties of loyalty to the Company if with advance knowledge they allow or fail to disclose the existence of transactions performed by the persons linked to



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him specified in article 31 of these Regulations and that were not subject to the criteria and controls provided in the foregoing articles.

Article 36. Directors' duties of disclosure

1. Directors will disclose to the Board of Directors any shares thereof directly or indirectly held by persons linked to him specified in article 31 of these Regulations, all in accordance with the provisions of the Company's Internal Code of Conduct in the Stock Markets.
2. Directors will also disclose to the Board of Directors any positions he/she holds on the Boards of Directors of other listed or not companies, as well as on other paid activities of whatever nature and generally the facts, circumstances, or situations that may be relevant to his/her service as manager of the Company in accordance with the provisions of these Regulations.
3. Likewise, directors will also disclose to the Board of Directors when situations arise that affect them, related or not to their actions within the Company, that may damage the credit and reputation of the Company, and they will particularly inform the Board of any criminal case in which they appear as investigated as well as of the procedural developments thereof.

The Board of Directors, having been informed of or otherwise become aware of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, attending to the particular circumstances, will decide, based on a report from the Appointments, Remunerations and Sustainability Committee, whether or not to adopt any measures such as opening an internal investigation, requesting the resignation of the director or proposing his removal to the General Shareholders' Meeting. This will be reported on in the annual corporate governance report, unless special circumstances justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company should disseminate, if appropriate, when the corresponding measures are adopted.

TITLE X – RELATED-PARTY TRANSACTIONS

Article 37. Related-party Transactions

1. The Board of Directors is competent for the knowledge and approval, following a report from the Audit and Control Committee, of the transactions that the Company or companies of its Group execute with directors, shareholders holding ten percent (10%) or more of the voting rights or represented on the Board of Directors of the Company, or with any other persons who must be considered related parties under the Spanish Corporate Enterprises Act provisions ("Related-party Transactions"), unless their approval corresponds to the General Meeting.
2. For the purposes of the provisions of the previous section, transactions between the Company and its directly or indirectly wholly owned subsidiaries, the approval by the Board of Directors of the terms and conditions of the contracts to be signed with any directors with executive functions, including, if applicable, the Chief Executive Officer, or senior officers, including the determination of the specific amounts or remuneration to be paid under such contracts, shall not be considered as Related-party



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Transactions.

Transactions between the Company and its subsidiaries or investees, provided that no other related party has interest in those subsidiaries or investees, shall also not be considered Related-party Transactions.

3. The General Meeting is responsible for approving Related-party Transactions with a value or amount equal to or greater than ten percent (10%) of the total balance sheet assets, according to the latest annual balance sheet approved by the Company. The approval of the remaining Related-party Transactions shall correspond to the Board of Directors, which may not delegate this competence except for Related-party Transactions between companies forming part of the Group conducted within the scope of ordinary management activities and under market conditions, as well as Related-party Transactions approved under contracts whose standardized terms are applied globally to a large number of customers, concluded at prices or rates generally established by whoever acts as supplier of the good or service in question, and for an amount not exceeding 0.5% of the Company's net turnover.
4. The Audit and Control Committee shall issue a report prior to the approval of a Related-party Transaction by the General Meeting or the Board of Directors. In this report, the Committee shall assess the fairness and reasonability of the transaction from the Company's point of view and, if applicable, from the point of view of the shareholders other than the related party, and explain the assumptions on which its assessment is based on and the methods used.

The members of the Audit and Control Committee affected by the Related-party Transaction may not participate in the preparation of the report.

This report is not required for carrying out Related-party Transactions whose approval has been delegated by the Board of Directors in the legally permitted cases and provided for in these Regulations.

5. When, in accordance with the provisions of section 3 above, the Board of Directors delegates the approval of Related-party Transactions, the Board of Directors itself shall establish an internal information and periodic control procedure to verify the fairness and transparency of those transactions and, if applicable, compliance with the applicable legal criteria.
6. The Board of Directors shall ensure the public disclosure of the execution of Related-party Transactions entered by the Company or companies of its Group and whose amount reaches or exceeds five percent (5%) of the total amount of the asset headings or 2.5% of the annual amount of the Company's turnover.

For such purposes, a report with the legally stipulated content must be published in an easily accessible part of the Company's website, which must be likewise notified to the National Securities Market Commission. The announcement must be published and notified, at the latest, at the time the Related-party Transaction is executed and must be accompanied by the report issued by the Audit and Control Committee, when applicable.

7. In order to determine the amount of a Related-party Transaction, the transactions entered into with the same counterparty in the previous twelve months shall be recorded on an aggregate basis.



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TITLE XI.- INFORMATION POLICY AND RELATIONS OF THE BOARD

Article 38. Website

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

Article 39. Relations with shareholders

1. The Board of Directors will determine the appropriate channels to hear proposals prepared by the shareholders in relation to the management of the Company.
2. The Board, through some of its members and with the collaboration of the members of senior management it deems pertinent, will be able to organise informational meetings about the progress of the Company and its Group for the shareholders residing in the most relevant financial centers in Spain and abroad.
3. The Board of Directors will likewise establish adequate mechanisms for the regular exchange of information with the institutional investors that form part of the shareholding of the Company. Under no circumstances will the relations between the Board of Directors and the institutional shareholders result in the delivery to the latter of any information that could provide them with a privilege or advantage over the other shareholders.
4. The Board of Directors shall define and promote a policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors that fully respects the rules against market abuse and gives similar treatment to shareholders in the same position, including the policy of communicating economic-financial, non-financial and corporate information.

The Company shall make the aforementioned policy public through its website, including information on how it has been implemented, and will identify the partners or persons responsible for carrying it out.

5. Any public request for the delegation of votes made by the Board of Directors or by any of its members will indicate the direction in which the representative will vote in case the shareholder does not provide instructions.
 6. The Board of Directors will promote the informed participation of the shareholders in the General Meetings and will adopt any appropriate measures to enable the General Shareholders' Meeting to effectively exercise the functions inherent thereto in accordance with the law and the Articles of Association.



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

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

Article 40. Relations with the markets

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

Article 41. Relations with auditors

1. It falls upon the Audit and Control Committee to propose to the Board of Directors, for its subsequent submission to the General Shareholders' Meeting, the appointment (specifying the terms of engagement and the scope of professional authority), renewal, and revocation of the auditor of the annual accounts of the Company, and to supervise compliance with the audit contract in accordance with article 14 of these Regulations.
2. The Audit and Control Committee will refrain from proposing to the Board of Directors, and the latter will likewise refrain from submitting to the General Shareholders' Meeting, the appointment as auditor of the Company of any auditor deemed precluded in accordance with audit regulations, as well as those companies whose fees expected to be billed to the Company, for all items, exceed 5% of its total revenues for the preceding fiscal year.

Article 42. Relations with senior management of the Company

The relations between the Board of Directors and the senior management of the Company, as provided in these Regulations, will necessarily be channeled through the Chairman of the Board of Directors or the Chief Executive Officer, if any, and in the absence of such persons, through



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the Secretary of the Board of Directors.

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