

**EXHIBIT I  
ANNUAL REPORT ON DIRECTOR REMUNERATION AT LISTED  
COMPANIES**

**DATA IDENTIFYING THE ISSUER**

FINANCIAL YEAR END:

TAX ID NUMBER (CIF):

Registered Business name:

LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

Registered office:

Rosario Pino 14-16, Madrid.

## ANNUAL REPORT ON DIRECTOR REMUNERATION AT LISTED COMPANIES TEMPLATE

### A REPORTING COMPANY'S REMUNERATION POLICY FOR THE YEAR IN PROGRESS

#### A.1 Explain the company's remuneration policy. The information reported in this section should include:

- General remuneration policy principles and fundamentals.
- The most significant changes in remuneration policy with respect to that applied during the prior reporting period, including any changes made during the year to the terms for exercising stock options already granted.
- Criteria used to determine, and composition of, the groups of comparable companies whose remuneration policies have been examined in the course of establishing the company's remuneration policy.
- The relative importance of the remuneration inputs used to determine fixed pay and the criteria followed to determine the various components of the directors' remuneration packages (remuneration mix).

#### Explanation of the remuneration policy

LAR ESPAÑA REAL ESTATE SOCIMI SA (hereinafter, Lar España) was incorporated on 17/01/2014; it did not have a remuneration policy in effect in 2014. In 2014 Lar España set its directors' remuneration in keeping with the terms of article 27 of the Board Regulations, which specifically stipulate the following:

- Directors shall be entitled to receive from the Company fees for attending the meetings of the Board of Directors and the Board committees on which they sit at any given point in time; such fees shall consist of a fixed annual sum to be determined by the shareholders in general meeting.
- The shareholders are similarly entitled to set the rules for periodically revising and updating the sum referred to in the preceding paragraph. This sum, so updated, if warranted, shall apply until modified again by means of a general meeting resolution.
- In addition, the directors shall receive opportune compensation for any travel expenses incurred in order to attend the meetings of the Board of Directors and the committees on which they sit.

#### A.2 Explain the company's remuneration policy. The information reported in this section should include: a report on the preparatory work and decision-making process behind the design of the remuneration policy and the role played, as warranted, by the remuneration committee and other governing bodies in determining remuneration policy. This information should include, as necessary, the mandate and composition of the remuneration committee and the identity of any external advisers engaged to help define remuneration policy. State also the nature of any directors involved in designing the firm's remuneration policy.

## Explanation of the remuneration policy design process

Article 15 of the Board Regulations of Lar España stipulates that the Appointments and Remuneration Committee comprise a minimum of three and maximum of five directors, appointed by the Board of Directors itself, from among the external directors, at the proposal of the Board's Chairman. The majority of the members of the Appointments and Remuneration Committee must be independent directors. The Board of Directors must also appoint a committee chair from among the independent directors comprising the committee.

In keeping with the foregoing, the Appointments and Remuneration Committee's composition, since it was set up in 2014, has been as follows:

- Roger Maxwell Cooke (Chairman)
- Alec Emmott (member)
- Miguel Pereda Espeso (member)
- Juan Gómez-Acebo Sáenz de Heredia (Secretary, non-member)

**A.3 State the amount and nature of the fixed components, breaking down, as necessary, remuneration for the performance of senior management duties by the executive directors, additional remuneration provided to the chairman or members of any of the board committees, the per diems accrued for participating in the board and its committees and other fixed pay provided in their capacity as directors, along with an estimation of the fixed annual remuneration to which all these components give rise. List any other benefits not settled in cash and the main parameters defining their grant.**

## Explanation of the fixed components of director remuneration

As stipulated in article 27 of the Board Regulations and article 40 of Lar España's Articles of Association, the directors are entitled to receive fees for meeting attendance consisting of a fixed annual sum per director to be established at the annual general meeting. The shareholders also have the power to decide when or on what grounds that sum should be revised and/or updated.

- Director remuneration (excluding that of the Chairman and proprietary director) totalled 50,000 euros in 2014.
- The Chairman earned 60,000 euros in 2014.
- The proprietary director did not receive any remuneration whatsoever for his membership of the Board of Directors of Lar España.

It is worth noting that there are no executive directors at Lar España.

**A.4 State the amount, nature and key characteristics of the variable components of the company's remuneration schemes.**

### **Specifically:**

- List each of the remuneration plans of which the directors are beneficiaries, their scope, the dates on which they were approved and implemented, their term of effectiveness and their key characteristics. In the case of plans providing stock options and/or other financial instruments, the general description of the plan characteristics should include information on the terms for exercising the options or financial instruments for each plan.

- Itemise any remuneration in the form of profit-sharing or bonuses and the grounds for their grant.
- Explain the basic parameters and premise for any annual bonus payment schemes.
- List the classes of directors (executive, external proprietary, external independent or other external) that are named beneficiaries of these remuneration schemes or plans including a variable component.
- The bases of such variable remuneration schemes or plans, the selected performance evaluation criteria, the methods for evaluating whether these performance targets have been met and an estimate of the absolute amount of variable remuneration to which the prevailing remuneration plans will give rise depending on the degree of delivery of the benchmark assumptions and/or targets.
- As warranted, report on any established payment deferral terms and/or the periods for holding the shares or other financial instruments granted, if any.

#### Explanation of the variable components of the remuneration schemes

Lar España did not apply any variable remuneration schemes in 2014.

- A.5 Explain the main characteristics of the long-term savings schemes, including retirement and survival benefits, whether wholly or partially financed by the company and whether funded internally or externalised, along with an estimate of the related amounts or equivalent annual cost, indicating the nature of the plan, whether it is a defined contribution or defined benefit plan, the vesting conditions and how they relate to any class of severance agreements in the event the contractual relationship between the director and the company is ended before term or terminated.**

**List also any contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes.**

#### Explanation of any long-term savings schemes

In 2014, none of the directors of Lar España benefited from long-term savings schemes, including pension plans or any other form of survival benefits funded partially or wholly by the company.

- A.6 Indicate any severance packages agreed or paid in the event of termination of the director's duties.**

#### Explain any severance packages

None of the directors of Lar España received any severance pay whatsoever in 2014 in relation to termination of their director duties.

- A.7 Indicate any severance packages agreed or paid in the event of termination of the director's duties. Indicate the terms applicable to the contracts of executive directors exercising senior management functions. Include information on the**

**terms, severance payment ceilings, length of service clauses, notice periods and any payments due if such notice periods are not given and any other clauses covering hiring bonuses, as well as severance payments or golden parachutes in the event the contractual relationship between the director and the company is ended before term or terminated. Include disclosures on any non-compete, exclusivity, length of service, loyalty and post-contractual non-compete clauses.**

**Explanation of the terms of executive director contracts**

Lar España did not have any executive directors in 2014.

**A.8 Outline any supplementary remuneration accrued by directors in exchange for services rendered other than those intrinsic to their positions.**

**Explanation of any supplementary remuneration**

Lar España's directors did not provide any services other than those intrinsic to their positions in 2014.

**A.9 Indicate any severance packages agreed or paid in the event of termination of the director's duties. Itemise any remuneration provided in the form of advances, loans or collateral, indicating the rate of interest, the key terms of such arrangements and the amounts ultimately repaid, as well any obligations assumed on their behalf by means of guarantees extended.**

**Explanation of any advances, loans or guarantees extended**

None of Lar España's directors received any remuneration in the form of advances, loans or guarantees in 2014.

**A.10 Explain the key characteristics of any in-kind remuneration.**

**Explanation of any in-kind remuneration**

Lar España was incorporated on 17/01/2014 and did not have a remuneration policy in effect in 2014. In 2014 Lar España set its directors' remuneration in keeping with the terms of article 27 of the Board Regulations, which specifically stipulate the following:

- Directors shall be entitled to receive from the Company fees for attending the meetings of the Board of Directors and the Board committees on which they sit at any given point in time; such fees shall consist of a fixed annual sum to be determined by the shareholders in general meeting.
- The shareholders are similarly entitled to set the rules for periodically revising and updating the sum referred to in the preceding paragraph. This sum, so updated, if warranted, shall apply until modified again by means of a general meeting resolution.
- In addition, the directors are entitled to opportune reimbursement of any travel expenses incurred in order to attend the meetings of the Board and Board committees on which they sit.

**A.11 Indicate the remuneration accrued by directors by virtue of payments made by the listed company to a third entity to which the director provides services when the purpose of such payments is to pay for the latter's services at that third company.**

### **Explanation of the remuneration accrued by directors by virtue of payments**

Mr. Alec Emmot perceived all its remunerations in 2014 through the Company Europroperty Consulting.

- A.12 Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may constitute a related-party transaction or when its omission would detract from a true and fair view of the total remuneration accrued by the director.**

### **Explanation of other remuneration concepts**

Lar España did not provide its directors with any form of remuneration other than those itemised above in 2014.

- A.13 Explain the actions taken by the company in respect of its remuneration system to reduce exposure to excessive risks and adjust the system to the company's long-term objectives, values and interests, including, as necessary, a reference to: measures contemplated to guarantee that the remuneration policy is commensurate with the company's long-term performance; measures designed to establish equilibrium between fixed and variable components; measures taken with respect to classes of professionals whose activities have a material impact on the entity's risk profile; recovery formulae or clauses for claiming reimbursement of results-based remuneration paid on the basis of data later proven manifestly inaccurate; and any measures in place to prevent conflicts of interest.**

### **Explanation of the measures taken to reduce risks**

Lar España did provide any of its directors with any variable remuneration schemes in 2014, so that it was not exposed to this risk factor.

## **B** REMUNERATION POLICY PLANNED FOR FUTURE YEARS

- B.1 Provide a general forecast of the remuneration policy for future years that describes the policy in respect of: fixed components and per diems, variable remuneration, the relationship between remuneration and performance/results, savings schemes, executive director contract terms, and the most significant changes foreseen with respect to prior years.**

### **General outlook for remuneration policy**

Lar España has established its director remuneration policy; which will be approved by the Board of Directors and the shareholders at the next ordinary annual general meeting in 2015.

- B.2 Explain the decision-making process foreseen for designing the remuneration policy in the years to come and the role to be played, if any, by the remuneration committee.**

### **Explanation of the decision-making process for designing remuneration policy**

Lar España's director remuneration policy was prepared by the Appointments and Remuneration Committee of Lar España, to which end it was advised by external expert Ernst & Young, S.L.

- B.3 Explain the incentives created by the company in respect of its remuneration system to reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and interests.**

### **Explanation of the risk mitigation incentives in place**

The remuneration policy of the Board of Directors of Lar España is based on the principles of transparency, moderation, compensation for dedication and correlation with performance, to which end director remuneration shall be kept at all times reasonably proportionate to the company's importance, the evolving economic situation and market standards for comparable companies.

The remuneration regime established in the remuneration policy is designed to foster the long-term profitability and sustainability of the company and inject the safeguards needed to prevent the assumption of too much risk or the reward of adverse results.

## **C** OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE LAST FISCAL YEAR

- C.1 Provide a summary of the main characteristics and concepts of the remuneration policy applied during the last fiscal year that add up to the itemised breakdown of the remuneration accrued by each director given in section D of this report, along with a summary of the decisions taken by the board in applying such concepts.**

### **Explanation of the structure and concepts of the remuneration policy applied during the reporting period**

Lar España was incorporated on 17/01/2014 and did not have a remuneration policy in effect in 2014. In 2014 Lar España set its directors' remuneration in keeping with the terms of article 27 of the Board Regulations, which specifically stipulate the following:

- Directors shall be entitled to receive from the Company fees for attending the meetings of the Board of Directors and the Board committees on which they sit at any given point in time; such fees shall consist of a fixed annual sum to be determined by the shareholders in general meeting.
- The shareholders are similarly entitled to set the rules for periodically revising and updating the sum referred to in the preceding paragraph. This sum, so updated, if warranted, shall apply until modified again by means of a general meeting resolution.
- In addition, the directors are entitled to opportune reimbursement of any travel expenses incurred in order to attend the meetings of the Board and Board committees on which they sit.



**D** BREAKDOWN OF THE ITEMISED REMUNERATION ACCRUED BY EACH OF THE DIRECTORS

<b>Name</b>	<b>Class of director</b>	<b>2014 accrual period</b>
José Luis del Valle Doblado	Independent director (Chairman)	February - December 2014
Pedro Luis Uriarte Santamarina	Independent director	February - December 2014
Roger Maxwell Cooke	Independent director	February - December 2014
Alec Emmott	Independent director	February - December 2014
Miguel Pereda	Proprietary director	February - December 2014

**D.1 Fill in the following tables regarding individual remuneration accrued by each of the directors (including remuneration for the performance of executive duties) during the year:**

Name	Salary	Fixed remuneration	Per diems	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership of board committees	Severance pay	Travel expenses + other*	Total, 2014	Total, 2013
D. José Luis del Valle Doblado	0	0	60,000 €	0	0	0	0	0	60,000 €	0
D. Pedro Luis Uriarte Santamarina	0	0	50,000 €	0	0	0	0	0	50,000 €	0
D. Roger Maxwell Cooke	0	0	50,000 €	0	0	0	0	100	50,100 €	0
D. Alec Emmott	0	0	50,000 €	0	0	0	0	2.110	52,110 €	0
D. Miguel Pereda	0	0	0 €	0	0	0	0	0	0	0

**a) Remuneration accrued at the reporting company:**

- i. Cash remuneration (in thousands of euros)**
- ii. Share-based remuneration schemes**
- iii. Long-term savings schemes**

**b) Remuneration accrued by the company's directors for membership of the boards of other group companies:**

**i. Cash remuneration (in thousands of euros)**

<b>Name</b>	<b>Salary</b>	<b>Fixed remuneration</b>	<b>Per diems</b>	<b>Short-term variable remuneration</b>	<b>Long-term variable remuneration</b>	<b>Remuneration for membership of board committees</b>	<b>Severance pay</b>	<b>Other items</b>	<b>Total, 2014</b>	<b>Total, 2013</b>
José Luis del Valle Doblado	0	0	0	0	0	0	0	0	0	0
Pedro Luis Uriarte Santamarina	0	0	0	0	0	0	0	0	0	0
Roger Maxwell Cooke	0	0	0	0	0	0	0	0	0	0
Alec Emmott	0	0	0	0	0	0	0	0	0	0
Miguel Pereda	0	0	0	0	0	0	0	0	0	0

**ii. Share-based remuneration schemes**

**iii. Long-term savings schemes**

**c) Remuneration summary (in thousands of euros):**

**This summary should include the amounts corresponding to all remuneration concepts encompassed by this report and accrued by the directors (in thousands of euros). In the case of long-term savings schemes, include the contributions made to these schemes/policies:**

Name	Remuneration accrued at the reporting company				Remuneration accrued at other group companies				Total		
	Total cash remuneration	Amount in respect of shares granted	Gross gain on options exercised	Total company in 2014	Total cash remuneration	Amount in respect of shares granted	Gross gain on options exercised	Total group in 2014	Total, 2014	Total, 2013	Contribution to savings schemes during the year
Mr. José Luis del Valle Doblado	60,000 €	0	0	60,000 €	0	0	0	0	60,000 €	0	0
Mr. Pedro Luis Uriarte Santamarina	50,000 €	0	0	50,000 €	0	0	0	0	50,000 €	0	0
Mr. Roger Maxwell Cooke	50,100 €	0	0	50,100 €	0	0	0	0	50,100 €	0	0
Mr. Alec Emmott	52,110 €	0	0	52,110 €	0	0	0	0	52,110 €	0	0
Mr. Miguel Pereda	0	0	0	0	0	0	0	0	0	0	0

**D.2 Report on the relationship between the remuneration received by the directors and the company's results or other performance benchmarks, explaining, as necessary, how changes in the company's performance may have influenced director pay.**

Lar España did not have any variable remuneration schemes for any of its directors in 2014.

**D.3 Report on the result of the shareholder advisory vote on the prior year's remuneration report, indicating the number of votes cast against the resolution, if any:**

	<b>Number</b>	<b>% of total</b>
<b>Votes cast</b>	N/A	N/A

	<b>Number</b>	<b>% of total</b>
<b>Votes against</b>	N/A	N/A
<b>Votes in favour</b>	N/A	N/A
<b>Abstentions</b>	N/A	N/A

**E**

**OTHER INFORMATION OF INTEREST**

**If you consider that there are any material director remuneration related matters that have not been addressed anywhere else in this report yet are necessary to provide a more comprehensive and substantiated picture of the company's remuneration policy and structure with respect to its directors, outline them briefly here.**

**This annual remuneration report was approved by the company's board of directors at its meeting held on \_\_\_\_\_**

**Indicate whether any directors voted against or abstained from voting on the approval of this report:**

Yes  No

Lar España plans to hold its first annual general meeting in April 2015.