



NATIONAL SECURITIES MARKET COMMISSION

In compliance with the reporting requirements under article 228 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

MATERIAL FACT

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, Palacio de la Bolsa, Salón de Actos Antonio Maura, at Plaza de la Lealtad, 1, on 20 April 2016, at 12:00 on first call, or, if the required quorum is not met, on second call, on 21 April 2016, at the same place and time. It is expected that the ordinary general shareholders' meeting will be held on second call, on 21 April 2016.

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

Madrid, 18 March 2016

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.

2016 ORDINARY GENERAL SHAREHOLDERS' MEETING

PLACE, DATE AND TIME OF THE MEETING

The board of directors of Lar España Real Estate SOCIMI, S.A. has resolved to call the ordinary general shareholders' meeting, which will be held in Madrid, Palacio de la Bolsa, Salón de Actos Antonio Maura, placed in Plaza de la Lealtad, 1, on 20 April 2016, at 12:00 on first call, or, if the required quorum is not met, on second call, on 21 April 2016, at the same place and time. Shareholder registration desks will be open as from 10:00.

It is expected that the ordinary general shareholders' meeting will be held on second call, on 21 April 2016, at the indicated place and time, unless shareholders are otherwise informed through announcements published in the same newspaper in which this announcement is published, on the company's website (www.larespana.com), as well as through the corresponding material fact sent to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

AGENDA

I. Annual accounts and management of the Company:

- One.-** Approval of the individual annual accounts of the Company and of the consolidated annual accounts of the Company and its subsidiaries for financial year 2015.
- Two.-** Approval of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for financial year 2015.
- Three.-** Approval of the board of directors' management and activities during financial year 2015.

II. Dividend distribution:

- Four.-** Approval of the proposed allocation of profits and the dividend distribution for financial year 2015.

III. Board of directors:

- Five.-** Waiver of the prohibitions established on article 229 of the Companies Act (*Ley de Sociedades de Capital*), in accordance with article 230 of the aforementioned law, regarding the Director D. Miguel Pereda Espeso.
- Six.-** Delegation to the board of directors, with the express power to delegate in others, for a term of five years, of the power to increase the Company's share capital pursuant to article 297.1.b) of the Companies Act (*Ley de Sociedades de Capital*) by up to one-half of the share capital on the date of this delegation. Delegation of the power to exclude pre-



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emptive rights in connection with the capital increases that the board may approve, although this power is limited to an aggregate maximum nominal amount equal to 20% of the share capital on the date of this delegation.

- Seven.-** Authorization to the board of directors, with the express power to delegate in others, for a term of five years, to issue: a) bonds or simple debentures and other fixed-income securities of a like nature (other than notes), as well as preferred stock, up to a maximum amount of EUR 500 million, and b) in addition to the foregoing, notes up to a maximum amount at any given time of EUR 500 million. Authorization for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries.
- Eight.-** Delegation to the board of directors, with the express power to delegate in others, for a term of five years, of the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies within or outside its group, and warrants on newly-issued or outstanding shares of the Company or of other companies within or outside its group, up to a maximum limit of EUR 400 million. Establishment of the standards for determining the basis for and terms and conditions applicable to the conversion, exchange or exercise. Delegation to the board of directors, with the express power to delegate in others, of the powers required to establish the basis for and terms and conditions applicable to the conversion, exchange or exercise, as well as, in the case of convertible debentures and bonds and warrants on newly-issued shares, the power to increase share capital to the extent required to accommodate requests for the conversion of debentures or for the exercise of warrants, with the power in the case of issues of convertible and/or exchangeable securities to exclude the pre-emptive rights of the Company's shareholders, although this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital of the Company on the date of this authorization.
- Nine.-** Authorization to the board of directors for the derivative acquisition of treasury shares according to and within the restrictions and requirements established in the Companies Act, with express powers to reduce the share capital on one or more occasions in order to redeem the acquired treasury shares. Delegation to the board of powers to execute this resolution

IV. Company's corporate governance:

- Ten.-** Amendments to the articles of association.
- 10.1 Amendments relating to the name, purpose, term and registered address
 - 10.2 Amendments relating to the general shareholders' meeting
 - 10.3 Amendments relating to the management body



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Eleven.- Amendment of the General Shareholders' Meeting Regulations.

11.1 Amendments related to Title III of the General Shareholders Meeting Regulations (Call and preparation of the General Meeting)

11.2 Amendments related to Title IV of the General Shareholders Meeting Regulations (Conduct of the General Meeting)

V. General matters:

Twelve.- Delegation of powers to formalize and implement all resolutions adopted by the ordinary general shareholders' meeting, to convert them into public instruments, and to interpret, correct, supplement, elaborate upon and register such resolutions.

VI. Consultative votes:

Thirteen.- Consultative vote regarding the Annual Directors' Remuneration Report for financial year 2015.

VII. Informative votes:

Fourteen.- Information on the proposal to amend the Board of Directors 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 15 or 16 April 2016, depending on whether it is held on first or second call, respectively, may attend and participate in the ordinary general shareholders' meeting, with the rights to be heard and to vote.

All shareholders having the right to attend may be represented at the ordinary general shareholders' meeting by another person, even though not a shareholder.

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

Proxies and absentee votes cast by postal or electronic correspondence must, as a general rule, be received by the Company before 24:00 on 19 April 2016.

AVAILABLE INFORMATION AND DOCUMENTATION

Until the fifth day prior to the Shareholders' Meeting, inclusive, shareholders may request in writing the information or clarifications that they deem are required, or ask the written questions they deem relevant, regarding the matters included in the agenda of the call to meeting, the information accessible to the public that has been provided by the Company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and the audit reports on the individual annual accounts and



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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 2015.

As from the date of publication of this announcement of the call to meeting, the following documents and information are made continuously available to the shareholders on the Company's corporate website (www.larespana.com): (1) this announcement of the call to meeting; (2) the form of attendance, proxy, and absentee voting card; (3) the full text of the proposed resolutions corresponding to the items included in the agenda of the call to meeting, together with the respective reports of the board of directors required by Law; (4) the individual annual accounts of the Company and the annual accounts of the Company consolidated with those of its subsidiaries for financial year 2015 and the respective audit reports; (5) the Company's individual management report and the management report of the Company consolidated with that of its subsidiaries for financial year 2015; (6) the directors' statement of responsibility provided for in article 118 of the Royal Legislative Decree 4/2015, approving the consolidated text of the Securities Market Act (*Ley del Mercado de Valores*), which, together with the documents set forth in the two preceding items, constitute the annual financial report for financial year 2015; (7) the annual corporate governance report for financial year 2015; (8) the annual director remuneration report for financial year 2015; (9) the current texts of the By-Laws, the Regulations for the General Shareholders' Meeting, the Regulations of the Board of Directors, and the other documents making up the Company's corporate governance system, as well as the restated texts resulting from the amendments proposed to the ordinary general shareholders' meeting; (10) the report prepared by the Audit and Control Committee of the Company on its functions during the financial year 2015; (11) the annual report prepared by the Remuneration and Nomination Committee regarding financial year 2015; (12) the report prepared by the Audit and Control Committee regarding the independence of the external auditor; (13) the report prepared by the Audit and Control Committee regarding related transactions; (14) the 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; (15) the shareholder's information right; (16) the rules of the Electronic Shareholders' Forum; and (17) information regarding the total number of shares and voting rights on the date of publication of this announcement of call to meeting.

Furthermore, the 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 2015, of the proposed resolutions, including the proposed amendments to the By-Laws, of the mandatory director reports, as well as 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 23 March 2016, 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



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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, 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 section 203 of the Companies Act (*Ley de Sociedades de Capital*), read together with article 101 of the Regulations of the Commercial Registry (*Reglamento del Registro Mercantil*).

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

PERSONAL DATA PROTECTION

The personal data that shareholders provide to the Company (upon the exercise or delegation of their rights to receive information, to attend, to proxy representation, and to vote) or that are provided by the financial institutions and by the investment services companies that are depositaries or custodians of the shares held by such shareholders, as well as by the entities in charge of the book-entry registers pursuant to Law, will be processed by the Company in order to manage the shareholding relationship. To such end, the data will be kept in computer files for which the Company is responsible. Such data will be provided to the Notary Public solely in connection with the drawing-up of the notarial minutes of the General Shareholders' Meeting, whose development may be subject to audiovisual recording and broadcast in Company's corporate website (www.larespana.com). By attending to the General Meeting the shareholder gives consent to this audiovisual recording and broadcast.

The owner of the data will be entitled to exercise the rights of access, rectification, objection, or erasure of the data collected by the Company. Such rights may be exercised in accordance with the provisions of Law by means of a letter addressed to Lar España Real Estate SOCIMI, S.A. (to the address C/ Rosario Pino 14-16, 8th floor, CP 28020 Madrid, Spain).

If the shareholder includes personal data of other individuals on the attendance, proxy, and absentee voting card, such shareholder must advise them of the details set forth in the preceding paragraphs and comply with any other requirements that may apply for the provision of the personal data to the Company, without the Company having to take any additional action.



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In Madrid, on 18 March 2016

The Secretary of the Board of Directors



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ORDINARY GENERAL SHAREHOLDERS MEETING PROPOSED RESOLUTIONS FOR LAR ESPAÑA REAL ESTATE SOCIMI, S.A. 2016

ITEM ONE ON THE AGENDA

Approval of the individual annual accounts of the Company and of the annual accounts of the Company consolidated with those of its subsidiaries for financial year 2015.

RESOLUTION

To approve the individual annual accounts of Lar España Real Estate SOCIMI, S.A. (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows, and notes) and the annual accounts of the Company consolidated with those of its subsidiaries (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows, and notes) for the financial year ended on 31 December 2015, which were finalised by the Board of Directors at its meeting held on 25 February 2016.



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ITEM TWO ON THE AGENDA

Approval of the individual management report of the Company and of the management report of the Company consolidated with that of its subsidiaries for financial year 2015.

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 ended on 31 December 2015, which were finalised by the Board of Directors at its meeting held on 25 February 2016.



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ITEM THREE ON THE AGENDA

Approval of the management and activities of the Board of Directors during financial year 2015.

RESOLUTION

To approve the management of the Company and the activities of the Board of Directors of Lar España Real Estate SOCIMI, S.A. during the financial year ended on 31 December 2015.



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ITEM FOUR ON THE AGENDA

Approval of the proposed allocation of profits/losses and distribution of dividends for financial year 2015.

RESOLUTION

To approve the proposed allocation of profits/losses and distribution of dividends prepared by the Board of Directors at its meeting held on 25 February 2016, which is described below:

To distribute, with a charge to the results for the financial year ended on 31 December 2015, a gross dividend of 0.075 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 or, where appropriate, the Board of Directors 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 2015:	5,006
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DISTRIBUTION:

To legal reserve (minimum amount):	501
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To voluntary reserve	6
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To dividends (maximum amount to distribute corresponding to a fixed dividend of 0,033 euro (gross) per share):	4,499
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TOTAL:	5,006
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Additionally, the General Shareholders' Meeting approves the distribution of share premium for a total amount of 7.538 thousand euros (0.125 euro (gross) per share). The distribution shall be enforceable and payable 30 days after the date of the decision adopted by the General Meeting and will be distributed through the entities members of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (IBERCLEAR), the Board of Directors 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.



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ITEM FIVE ON THE AGENDA

Waiver of the prohibitions established on article 229 of the Spanish Companies Act (*Ley de Sociedades de Capital*), in accordance with article 230 of the aforementioned law, regarding the Director D. Miguel Pereda Espeso.

RESOLUTION

Following the authorisation granted on 5 February 2014 by the then Sole Shareholder of the Company, to expressly renew the authorisation of the Director D. Miguel Pereda Espeso, by virtue of article 230 of the Spanish Companies Act, to perform his duties as member of the Board of Directors of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España), even though its activities might be similar or complementary to those that constitute the corporate object of the Company, given that the aforementioned activities do not entail a damage to Lar España, and any situation of conflict of interest that may rise in the performance of his duties as member of the Board of Directors are subject to legal provision established in the applicable law and the provisions of the Investment Management Contract entered into by the Company and Grupo Lar on 12 February 2014.

Likewise, the Director D. Miguel Pereda Espeso is expressly authorized, by virtue of the aforementioned article 230 of the Spanish Companies Act, to receive remuneration by Grupo Lar Inversiones Inmobiliarias, S.A., for the performance of his duties, including the representation of Grupo Lar in the Board of Directors of Lar España.



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ITEM SIX ON THE AGENDA

Delegation in the Board of Directors, with the express power of substitution, for a term of five years, the power to increase the share capital pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act, by up to one-half of the share capital on the date of the delegation. Delegation of the power to exclude pre-emptive rights in connection with the capital increases that the Board may approve under this authorisation, provided, however, that this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital on the date of this authorisation.

RESOLUTION

To authorise the Board of Directors, as broadly as may be required by Law, so that, as permitted by Article 297.1.b) of the Spanish Companies Act, it may increase the share capital on one or more occasions and at any time within a term of five years from the date of approval of this resolution, by up to one-half of the current share capital.

Said share capital increase or increases may be carried out with or without a premium, either by increasing the par value of the outstanding shares with the requirements set forth in the Law, or by issuing new ordinary or privileged shares (with or without voting rights), or redeemable shares, or any other type of shares valid under the applicable Laws, or different types of shares at one time, the consideration for which shall be cash contributions.

The Board of Directors shall decide, in connection with each increase, whether the new shares to be issued are common, preferred, redeemable, non-voting or any other kinds of shares among those permitted by Law. In addition, the Board of Directors may establish, as to all matters not otherwise contemplated, the terms and conditions of the share capital increase and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made and amend the article of the By-Laws relating to share capital and number of shares.

Furthermore, in connection with the share capital increases that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by Article 506 of the Spanish Companies Act, provided, however, that such power shall be limited to share capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the current share capital of the Company.

In any event, if the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, they will draft a detailed report explaining the purpose of such exclusion based on the Company's interest, along with the relevant Board's resolution and the corresponding from an account auditor other than the Company's auditor according to Article 506 of the Spanish Companies Act. Said reports will immediately be delivered in the Company's website and made available to all shareholders and communicated at the first General Shareholders Meeting after the issuance resolution.

By virtue of this authorisation, the Board of Directors is also empowered to make application for listing of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organized or other secondary markets, and to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the securities markets.



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The Board of Directors is also authorised to delegate in favour of any director or directors it deems appropriate the powers delegated thereto under this resolution.

Likewise, the Board of Directors is authorised, as broadly as may be required by Law, with substitution powers in any of the Company's directors, such that any of them, may carry out such acts as may be necessary and execute such public or private documents or agreements as may be necessary or convenient for the full effectiveness of the above resolution in any aspect and, in particular, to elaborate on, clarify, make more specific, interpret, complete, and correct it; also, to correct the defects, errors or omissions which may be observed in the oral or written assessment of the Commercial Registrar, as broadly as possible.

The present delegation of powers to the Board of Directors replaces the one granted by the extraordinary Shareholders' Meeting of the Company on 18 December 2015, which will therefore be rendered void.



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ITEM SEVEN ON THE AGENDA

Authorisation to the Board of Directors, with the express power of substitution, for a term of five years, to issue: a) bonds or simple debentures and other fixed-income securities of a like nature (other than notes), as well as preferred stock, up to a maximum amount of 500 million euros, and b) notes up to a maximum amount at any given time, independently of the foregoing, of 500 million euros. Authorisation for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries.

RESOLUTION

To delegate to the Board of Directors, as permitted by Article 319 of the Regulations of the Commercial Registry and the general provisions governing the issuance of debentures, as well as pursuant to the By-Laws, the power to issue negotiable securities under the following terms:

1. Securities to be issued.- The negotiable securities contemplated in this delegation may be bonds or simple debentures (senior or subordinated of any range), notes and other fixed-income securities of a like nature, as well as preferred stock.
2. Period of the delegation.- The issuance of the securities covered by this delegation may be effected on one or more occasions within a maximum period of five years following the date of adoption of this resolution.
3. Maximum amount under this delegation.-
 - a) The aggregate maximum amount of the issuance or issuances of bonds or simple debentures and other fixed-income securities of a like nature (other than notes), as well as preferred stock, approved under this delegation shall be 500 million euros, or the equivalent thereof in another currency.
 - b) For its part, the outstanding balance of the notes that are issued under this delegation shall at no time exceed the sum of 500 million euros or the equivalent thereof in another currency. This limit is independent of the limit established in sub-section a) above.
4. Scope of the delegation.- The delegation of powers to issue the securities contemplated in this resolution shall extend, as broadly as is required by Law, to the establishment of the different terms and conditions applicable to each issuance (par value, issue price, reimbursement price, domestic or foreign currency of the issuance, form of representation, interest rate, amortization, subordination clauses, guarantees supporting the issuance, place of issuance, law applicable thereto, if appropriate, establishment of the internal regulations of the bondholders' syndicate and appointment of the bondholders' syndicate representative (*comisario*) in the case of the issuance of simple bonds and debentures, if required, admission to listing, etc.) and to the conduct of any and all formalities that may be necessary, including those provided for in the applicable securities market regulations, for the execution of the specific issuances that may be resolved to be effected under this delegation.
5. Listing.- The Company shall, where appropriate, make application for listing on Spanish or foreign, official or unofficial, organized or other secondary markets of the securities issued by the Company pursuant to this delegation, and the Board of Directors is authorised, as broadly as is required by Law, to carry out all formalities and acts required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.



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It is expressly stated for the record that if application is subsequently made for delisting of the securities, it shall be made by complying with the same formalities as the application for listing, to the extent applicable, and, in such case, the interests of the shareholders or bondholders opposing or not voting on the resolution shall be safeguarded in compliance with the requirements established by applicable law. It is also expressly stated that the Company undertakes to abide by all current or future Stock Market laws or regulations and, particularly, by those governing trading, continued listing and delisting of securities.

6. Guarantee in support of issuances by subsidiaries.- As permitted by the By-Laws, the Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of securities by subsidiaries during the effective period of this resolution.

7. Power of substitution.- The Board of Directors is hereby expressly authorised to delegate the powers contemplated in this resolution.

8. The present delegation of powers to the Board of Directors replaces the one granted by the General Shareholders' Meeting of the Company on 28 April 2015, which will therefore be rendered void.



ITEM EIGHT ON THE AGENDA

Delegation in the Board of Directors, with the express power of substitution, for a term of five years, the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies within or outside of its group, and warrants on newly-issued or outstanding shares of the Company or of other companies within or outside of its group, up to a maximum limit of 400 million euros. Establishment of the standards for determining the basis for and terms and conditions applicable to the conversion, exchange or exercise. Delegation to the Board of Directors, with the express power of substitution, of the powers required to establish the basis for and terms and conditions applicable to the conversion, exchange or exercise, as well as, in the case of convertible debentures and bonds and warrants on newly-issued shares, of the power to increase share capital to the extent required to accommodate requests for the conversion of debentures or for the exercise of warrants, with the power in the case of issues of convertible and/or exchangeable securities to exclude the pre-emptive rights of the Company's shareholders, although this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital of the Company as of the date of this authorisation.

RESOLUTION

To authorise the Board of Directors, pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 286, 297 and 511 of the Spanish Companies Act (*Ley de Sociedades de Capital*), Article 319 of the Regulations of the Commercial Registry, and Articles 12, 16, 17 and 18 of the By-Laws, to issue negotiable securities under the following terms:

1. Securities to be issued.- The negotiable securities contemplated in this delegation may be debentures and bonds that are exchangeable for shares of the Company or of any other company within or outside of its group and/or convertible into shares of the Company, as well as warrants (options to subscribe for new shares of the Company or to acquire existing shares of the Company or of any other company within or outside of its group).

2. Period of the delegation.- The issuance of the securities covered by this delegation may be effected on one or more occasions within a maximum period of five years following the date of adoption of this resolution.

3. Maximum amount under this delegation.- The aggregate maximum amount of the issuance or issuances of securities approved under this delegation shall be five 400 million euros or the equivalent thereof in another currency. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants under the issuances resolved to be made in exercise of the powers delegated hereby shall be taken into account.

4. Scope of the delegation.- In exercise of the delegation of powers approved hereby, the Board of Directors shall be authorised to do the following, by way of example and not of limitation, with respect to each issuance: determine the amount thereof, always within the aforementioned overall quantitative limit, the place of issuance (in Spain or abroad), and the domestic or foreign currency, and in



the case of a foreign currency, its equivalence in euros; the name or form of the securities, whether they be bonds or debentures, including subordinated debentures, warrants (which may in turn be paid by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other name or form permitted by Law; the date or dates of issuance; the number of securities and the par value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable), and the dates and procedures for payment of the coupon; whether the issuance is perpetual or subject to repayment and, in the latter case, the repayment period and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; antidilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the listing of the securities to be issued on Spanish or foreign, official or unofficial, organized or other secondary markets, subject to the requirements established by applicable regulations in each case; and, in general, any other terms of the issuance as well as, if applicable, the appointment of the security-holders' syndicate representative (*comisario*) and the approval of the basic rules that are to govern the legal relationships between the Company and the syndicate of holders of the securities to be issued, in the event that such syndicate must or is decided to be created.

In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of the security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued, as well as the respective period thereof and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.

5. Basis for and terms and conditions applicable to the conversion and/or exchange.- In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis for and terms and conditions applicable to the conversion and/or exchange, it is resolved to establish the following standards:

- a) The securities issued pursuant to this resolution shall be convertible into shares of the Company or of any other company, within or outside of its group and/or exchangeable into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to decide whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals and during the period established in the resolution providing for the issuance, which may not exceed thirty years from the date of issuance.
- b) In the event that the issuance is convertible and exchangeable, the Board may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal



treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.

- c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof, and the shares at the fixed exchange ratio (determined or able to be determined) established in the resolution of the Board of Directors whereby this delegation of powers is exercised, or at a variable ratio to be determined on the date or dates specified in such resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed exchange ratio so determined may not be less than the average exchange ratio for the shares on the Continuous Market of the Spanish Stock Exchanges on which the Company's shares are admitted to listing, in accordance with closing listing prices during a period to be set by the Board of Directors and which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above.
- d) It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the Company's shares on the Continuous Market during a period to be set by the Board of Directors, which shall not be greater than three months nor less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance (or for each tranche of an issuance, if any), provided, however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above.
- e) Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of the issuance, any difference that may arise in such case.
- f) In no event may the value of the share for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. In addition, pursuant to the provisions of Article 415 of the Spanish Companies Act, debentures may not be converted into shares when the nominal value of the former is less than the par value of the latter.

When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion that are specifically applicable to the respective issuance. Such report shall be accompanied by the corresponding auditor's report mentioned in Article 414 of the Spanish Companies Act.

6. Basis for and terms and conditions for the exercise of warrants and other similar securities.- In the event of issuances of warrants, it is resolved to establish the following standards:



- a) In the case of issuances of warrants, to which the provisions of the Spanish Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or of rights to acquire shares of the Company or of another company within or outside of the Group, or to a combination thereof, arising from the securities of this kind issued under the delegation granted hereby. The standards set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.
- b) The preceding standards shall apply, with any changes that may be required and to the extent applicable, to the issuance of fixed-income securities (or warrants) that are exchangeable for shares of other companies. Where appropriate, all references to the Spanish Stock Exchanges shall be deemed made to the markets, if any, on which the respective shares are listed.

7. This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:

- a) The power of the Board of Directors, as permitted by Article 511 of the Spanish Companies Act, in connection with Article 417 of said Law, to totally or partially exclude the preemptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the preemptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures, warrants and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of an auditor, other than the Company's auditor and appointed by the Commercial Registry, mentioned in Articles 414 and 511 of the Spanish Companies Act. Both such reports shall be published in the corporate website of the Company and made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance.

This power shall in any event be limited to capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the share capital as of the date of adoption of this resolution.

- b) The power to increase share capital to the extent required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board of Directors, adding the capital increase effected to accommodate the issuance of convertible debentures, warrants and other similar securities and the other capital increases approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital provided by Article 297.1(b) of the Spanish Companies Act. This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the By-Laws relating to the amount of the share capital and, if



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appropriate, to cancel the portion of such capital increase that was not required for the conversion of shares and/or the exercise of the right to subscribe for shares.

- c) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the standards set out in sections 5 and 6 above.
- d) The delegation to the Board of Directors includes the broadest powers that may be required by Law in order to interpret, apply, implement and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding capital increase, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end, the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officers or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding capital increase to the oral or written assessment of the Commercial Registrar or, in general, of any other Spanish or foreign competent authorities, officers or entities.

8. Listing of securities.- Whenever appropriate, the Company shall make application for listing on Spanish or foreign, official or unofficial, organized or other secondary markets of the convertible and/or exchangeable debentures and/or bonds or of the warrants issued by the Company exercising the powers delegated hereby, and the Board of Directors is authorised, as fully as is required by Law, to conduct all acts and formalities that may be necessary for admission to listing before the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, and, in such case, the interests of the shareholders or debentureholders opposing or not voting on the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing and delisting.

9. Guarantee in support of issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries.- As permitted in the By-Laws, the Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries during the effective period of this resolution.

10. Power of substitution.- The Board of Directors is hereby expressly authorised to delegate the powers contemplated in this resolution.

11. The present delegation of powers to the Board of Directors replaces the one granted by the General Shareholders' Meeting of the Company on 28 April 2015, which will therefore be rendered void.



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ITEM NINE OF THE AGENDA

Authorisation to the Board of Directors for derivative acquisition of own shares in accordance with the limits and requirements established in the Spanish Companies Act, expressly authorising it, if applicable, to reduce share capital on one or more occasions in order to redeem the acquired shares. Delegation of authority to the Board of Directors to implement this resolution

RESOLUTION

To authorise the Board of Directors, in the broadest terms possible, to engage in the derivative acquisition of own shares of Lar España Real Estate SOCIMI, S.A., directly or through companies in its group, subject to the following limits and requirements:

- a) Forms of acquisition: acquisition by way of purchase, by way of any other *inter vivos* act for consideration or any other transaction permitted by law, including acquisitions financed by profits for the fiscal year and/or unrestricted reserves. The acquisitions may be made directly by the Company or indirectly through companies in its group.
- b) Maximum number of shares to be acquired: the acquisitions may be made, from time to time, on one or more occasions, up to the maximum permitted by law.
- c) Price: the price or consideration will vary from (i) a minimum price equivalent to the lesser of the par value and the listing price on the Continuous Market at the time of acquisition, and (ii) a maximum price equivalent to the listing price on the Continuous Market at the time of acquisition increased by 20%.
- d) Duration of the authorisation: five years from the date of this resolution.

These transactions must also be conducted in compliance with the rules in this regard contained in the Lar España Real Estate SOCIMI, S.A. Internal Code of Conduct.

Also, for the purposes of the second paragraph of letter a) of article 146.1 of the Spanish Companies Act, it is expressly noted that express authorisation is given for the acquisition of shares of the Company by any of its subsidiaries, on the same terms as set forth above.

To authorise the Board of Directors so that it may sell or redeem the shares acquired or use the own shares acquired, in whole or in part, for remuneration schemes which purpose is or that provide for the delivery of shares or share options in accordance with section 1.a) of article 146 of the Spanish Companies Act.

The Board of Directors is authorised, in the broadest terms, to use the authorisation covered by this resolution to implement and develop it fully, to which end it is entitled to delegate this authority, in the term it considers most appropriate, to any of the directors, to the Secretary to the Board or any other person the Board expressly authorises for this purpose.

This delegation of authority to the Board of Directors replaces the one conferred by the General Shareholders' Meeting of the Company on 28 April 2015, which will therefore be rendered void.



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ITEM TEN ON THE AGENDA

Amendments of the Articles of Association

RESOLUTION

After the required report from the Board of Directors, to resolve amendment of the following articles of the Articles of Association: article 3 (Registered address and corporate website), article 22 (Call of General Meetings of shareholders), article 35 (Term of Office) and article 42 (Audit and Control Committee. Composition, authority and functioning) to adapt their content to latest amendments of the Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (the "**Spanish Companies Act**") and to incorporate other improvements regarding corporate governance and of a technical nature.

In particular, the foregoing amendments are intended to adapt the content of the Articles of Association to Act 22/2015, of 20 July, of Accounts Auditing, to Act 15/2015, of 2 July, of Voluntary Jurisdiction, to Act 9/2015, of 25 May, of urgent insolvency measures, and to incorporate other improvements regarding corporate governance (set forth in the Code of Good Governance for Listed Companies of 18 February 2015) and of a technical nature, which must be reflected in the Articles of Association.

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

10.1 Amendment related to name, purpose, term and registered address.

Article 3.- Registered address and corporate website

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

10.2 Amendment of articles related to the General Meeting of shareholders.

Article 22.- Call of General Meetings of shareholders

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



2. *When the Company offers its shareholders the effective possibility of voting by electronic means accessible to all of them, the extraordinary General Meetings of the Company may be called a minimum of fifteen days in advance, after a resolution adopted at an ordinary General Meeting on the terms for that purpose applicable in accordance with the applicable regulations of the Company.*
3. *The website on which the notice of call of General Meetings of shareholders will be published is www.larespana.com.*
4. *Shareholders representing at least 3% of the share capital may, within the terms and on the conditions established by law, request that a supplement to the call of an ordinary General Meeting of shareholders be published, including one or more points on the agenda, provided that the new points are accompanied by an explanation or an explained proposed resolution, and they may also present explained proposed resolutions regarding issues already on the agenda or that are to be included on the agenda of an already called General Meeting of shareholders. The Company will publish the supplement to the call and the aforesaid explained proposed resolutions on the terms contemplated by law.*
5. *If a duly called General Meeting of shareholders is not held on first call, and the date on second call is not stated in the notice, it must be notified, with the same agenda and the same publication requirements as the first, within the fifteen days following the date of the General Meeting that was not held, at least ten days in advance of the meeting date.*
6. *The management body must also call the General Meeting of shareholders whenever shareholders representing at least 3% of the share capital so request, in the request stating the matters to be discussed at the General Meeting, which must necessarily be included on the agenda by the management body. 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.*

10.3 Amendments related to the management body

Article 35.- Term of office

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

Article 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, particularly its Chairman, will be appointed on the basis of their knowledge and experience in accounting, auditing*



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

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

- 2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee will exercise the following basic functions:*
 - a. Supervising the calculation of the fees received by the Management Company for performance of its duties.*
 - b. Reporting to the General Meeting of shareholders regarding questions posed by shareholders that fall within the scope of its authority and, in particular, with regards to the outcome of the auditing, explaining how it has contributed to the integrity of the financial information and the duties performed by the Committee during this process.*
 - c. Supervising the effectiveness of internal control of the Company and its Group, as well as its risk management systems.*
 - d. Together with the statutory auditors, analysing significant weaknesses of the internal control system detected during conduct of the audit, without undermining its independence.*
 - e. Supervising the process of preparation and presentation of the mandatory financial information, and present recommendations and proposals to the Board of Directors, directed at safeguarding its independence.*
 - f. Making proposals to the Board of Directors for submission to the General Meeting of shareholders concerning the appointment of statutory auditors, being responsible for the appointment process, in accordance with applicable legislation.*
 - g. Supervising the activity of the Company's internal audit function.*
 - h. Establishing appropriate relationships with the statutory auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may pose a risk to their independence and any other matters relating to the audit process and, where appropriate, the authorization of any of the services different from the prohibited services, in accordance with the applicable law, as well as any other communications provided for in audit legislation and other audit regulations. In any event, on an annual basis the Committee must receive from the statutory auditors written confirmation of their independence vis-à-vis the Company or entities directly or indirectly related to it, in addition to individualized 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.*
 - i. Issuing annually, prior to the audit report, a report containing an opinion on whether or not the independence of the auditors or auditing companies is compromised. This report must, in all cases, express an opinion about the provision of the additional services referred to in the preceding paragraph.*

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- j. Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.*
 - k. Reporting, prior to the Board of Directors meetings, on all matters contemplated in the law, the Articles of Association and the Board of Directors Regulations, in particular regarding: (i) the financial information 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; (iii) transactions with related parties; and (iv) the economic conditions and their impact on the accounts and, where appropriate, the exchange rate applicable in corporate restructuring transactions performed by the Company.*
 - l. Any others given to it by the Board of Directors in its corresponding Regulations.*
- 3. The Audit and Control Committee will meet, ordinarily on a quarterly basis, in order to review the periodic financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It also will meet at the request of any of its members and when called by its Chairman. The Chairman is to call the meeting whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority. There will be a quorum when one half plus one of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by majority vote. In the event of a tie, the Chairman will have a casting vote.*
- 4. The Board of Directors may develop the foregoing set of rules in its corresponding Regulations.*



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ITEM ELEVEN ON THE AGENDA

Amendment of the General Shareholders Meeting Regulations

RESOLUTION

After the required report from the Board of Directors, to resolve to amend the following articles of the General Meeting Regulations: article 8 (Availability of information from the date of call on the Company's website) and article 29 (Adoption of resolutions and termination of the General Shareholders' Meeting) to incorporate other corporate governance improvements (set forth in the Code of Good Governance of Listed Companies of 18 February 2015) and improvements of a technical nature.

The purpose of the foregoing amendment is to adapt the content of the General Meeting Regulations to amendments included in the Spanish Companies Act and the improvements regarding corporate governance (set forth in the Code of Good Governance for Listed Companies of 18 February 2015) and of a technical nature, which must be reflected in the General Meeting Regulation.

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

11.1 Amendments related to Title III of the General Shareholders Meeting Regulations (Call and preparation of the General Meeting)

Article 8.- Availability of information from the date of call on the Company's website

1. *In addition to what is required by law or the articles and the provisions of these Regulations, from the date of publication of the call of the General Meeting of shareholders, the Company on its website will publish the full text of the proposed resolutions that have already been prepared by the management body regarding the points on the agenda, the reports that are mandatory or decided upon by the management body, as well as such explained proposed resolutions on matters already included or that are to be included on the agenda of the General Meeting as may be presented by shareholders on the terms contemplated in the applicable regulations.*

2. *In addition, from the date of notice of call all such information as is deemed to be useful or appropriate to facilitate attendance and participation of shareholders at the General Meeting of shareholders will be placed on the Company's website. Such information by way of illustration will, if applicable, include the following:*

- a. *The procedure for obtaining the attendance card.*
- b. *Instructions for remote voting or proxies using the media, if any, contemplated in the notice of call.*
- c. *Information on the place where the General Meeting of shareholders is to be held and the manner of reaching and accessing it.*
- d. *Information, if any, regarding systems or procedures that facilitate monitoring the General Meeting of shareholders.*
- e. *Information on the manner a shareholder may exercise its information right.*
- f. *If the General Meeting of shareholders is to deliberate on the appointment or ratification of directors, from the date of publication of the notice of call, in addition to what is required by law or the articles, the following updated information also will be published on the Company's website:*

- i. Professional experience and background.*
- ii. Other significant directorships held in other companies, listed or otherwise.*
- iii. Indication of the category to which the director belongs, in the case of proprietary directors indicating the shareholder represented or to which the director is related.*
- iv. The date of first and subsequent appointments as a director of the Company.*
- v. Shares and options on shares of the Company held by the director.*
- g. The supplement to the call of the General Meeting of shareholders, if any.*
- h. Report regarding the Auditor's independence.*
- i. Reports regarding the functioning of the Audit and Control Committee and the Remuneration and Nominations Committee.*
- j. Report prepared by the Audit and Control Committee regarding related transactions.*
- k. Report regarding the corporate social responsibility policy.*

11.2 Amendments related to Title IV of the General Shareholders Meeting Regulations (Conduct of the General Meeting)

Article 29.- Adoption of resolutions and termination of the General Shareholders' Meeting

- 1. Resolutions shall be adopted by the simple majority of the shares with voting rights present and represented in the General Shareholders' Meeting, this is, when the resolution obtains more votes in favour than against of the share capital present and represented, except for those cases in which the applicable law or the Company's Articles of Association require a different majority. For the resolutions regarding points that were not included in the General Meeting's agenda, the shares that are not present or represented will not be taken into account in the calculation of the aforementioned majority.*
- 2. The Chairman will declare the approval of the resolutions when he is aware of the existence of enough votes in favour of the resolution, without prejudice of recording in the minutes the sense of the vote or the abstention of the present shareholders that request it to the notary (or, where appropriate, the Secretary or assistance personnel).*
- 3. Once the voting of the proposed resolutions has been completed and the result has been declared by the Chairman, the Shareholders' Meeting will be concluded and the Chairman will declared the adjournment of the meeting.*



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ITEM TWELVE ON THE AGENDA

Delegation of powers to formalise and implement all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion thereof into a public instrument, and for the interpretation, correction, supplementation thereof, further elaboration thereon, and registration thereof.

RESOLUTION

Without prejudice to the powers delegated in the preceding resolutions, to jointly and severally authorise the Board of Directors, the Executive Committee, the chairman & CEO, and the general secretary and secretary of 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) Prepare restated texts of the By-Laws and the Regulations for the General Shareholders' Meeting, including the amendments approved at this General Shareholders' Meeting.
- (d) 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.
- (e) Determine all other circumstances that may be required, adopt and implement the necessary resolutions, publish the notices, and provide the guarantees that may be required for the purposes established by law, formalise the required documents, and carry out all necessary proceedings and comply with all requirements under the law for the full effectiveness of the resolutions adopted by the shareholders at this General Shareholders' Meeting.



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ITEM THIRTEEN ON THE AGENDA

Consultative vote regarding the Annual Director Remuneration Report for financial year 2015.

RESOLUTION

To approve, on a consultative basis, the Annual Director Remuneration Report for financial year 2015, the full text of which was made available to the shareholders together with the other documentation relating to the General Shareholders' Meeting from the date of publication of the announcement of the call to meeting.



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ITEM FOURTEEN ON THE AGENDA

Information on the proposed amendment of the Board of Directors Regulations

RESOLUTION

To acknowledge the amendments made to the Board of Directors Regulations proposed by the Board of Directors in its meeting of 14 March 2016.

Said amendments are intended to adapt the Board of Directors Regulations to the content of the amendments to the Spanish Companies Act incorporated by Act 22/2015, of 20 July, of Accounts Auditing and to other improvements related to corporate governance (established in the Code of Good Governance of Listed Companies approved on 18 February 2015) and technical amendments, which shall be reflected in the Board of Directors Regulations.

The amendment of each of the Articles of the Board of Directors Regulations is further explained in the report of the Board of Directors according to Articles 518 d) and 528 of the Spanish Companies Act.



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REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED AUTHORIZED CAPITAL RESOLUTION SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 20 AND 21, 2016, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

This report has been prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to articles 286, 297.1.b) and 506 of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**"), to explain the proposal submitted for approval by the General Shareholders' Meeting of the Company called for April 20 and 21, 2016, on first and second call, respectively, under item six on the agenda, in connection with the authorization to the Board of Directors of the Company to increase the share capital, within five years, by up to one-half of the share capital existing at the time of the authorization, on one or more occasions and at the time and in the amount it deems appropriate, with the power to exclude pre-emptive rights as established in article 506 of the Companies Law.

2. GENERAL REASONS FOR THE PROPOSAL

According to article 297.1.b) of the Companies Law, the shareholders at the General Shareholders' Meeting may, by complying with the requirements established for the amendment of the By-Laws, delegate to the Board of Directors the power to resolve, on one or more occasions, to increase the share capital up to a given amount, at the time and in the amount the Board decides, without first consulting with the shareholders at the General Shareholders' Meeting. This provision establishes that the amount of such capital increases may under no circumstances exceed one-half of the share capital of the Company at the time of the authorisation and that they must be made by cash contributions within a maximum period of five years following the date on which the resolution is adopted at the General Shareholders' Meeting.

The Board of Directors understands that the proposed resolution submitted for approval by the shareholders at the General Shareholders' Meeting is justified by the advisability of making use of the mechanism contemplated by current corporate laws and regulations whereby one or more increases in share capital may be approved without calling or holding a new General Shareholders' Meeting, though subject to the limits, terms and conditions that it decides. Therefore, the aim is to give the Board of Directors the responsiveness required to operate in an environment in which the success of a strategic initiative often depends on the ability to undertake it rapidly, without sustaining the delays and costs associated with holding General Shareholders' Meetings.

In addition, article 506 of the Companies Law states that, in listed companies, when the shareholders at the General Shareholders' Meeting delegate the power to increase the share capital, the Board of Directors may also be given the power to exclude pre-emptive rights when the circumstances set out in this provision are present, provided that the par value of the shares to be issued plus the issue premium, if any, is equal to the fair value of the shares of the Company as set out in the report to be prepared, at the request of the Board of Directors, by an auditor other than the Company's auditor, appointed for this purpose by the Commercial Registry each time the Board exercises the power to exclude pre-emptive rights.



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This possibility of excluding pre-emptive rights is also expressly provided for in article 13 of the Company's current By-Laws.

The Board of Directors understands that the power to exclude pre-emptive rights, as a supplement to the power to increase share capital, is justified for several reasons. First, the exclusion of pre-emptive rights often makes it possible to relatively reduce the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issuance) as compared to an issuance made with pre-emptive rights. Second, the power to exclude pre-emptive rights enables the directors to significantly increase speed and responsiveness occasionally required in today's financial markets, such that the Company may take advantage of the moments when market conditions are more favorable. In addition, the exclusion of pre-emptive rights may allow the Company to optimize the financial conditions of the transaction and, in particular, the issue price of the new shares, as it may align it to the expectations of the qualified investors to whom such capital increases are customarily addressed, while reducing execution risks through a lower exposure of the transaction to changes in market conditions. Finally, the exclusion of pre-emptive rights mitigates the effect of distortion in the trading of the Company's shares during the issuance period, which is normally shorter than in the case of an issuance with pre-emptive rights.

In any event, the ability to exclude pre-emptive rights is a power that the shareholders acting at the General Shareholders' Meeting delegate to the Board of Directors, and it is within the purview of the Board to decide in each case, in view of the specific circumstances and in compliance with legal requirements, whether or not such rights should effectively be excluded. If the Board of Directors decides to make use of the power to exclude pre-emptive rights in connection with a specific capital increase that it may ultimately approve exercising the authorisation granted by the shareholders at the General Shareholders' Meeting, a directors' report and an auditor's report must be prepared pursuant to article 308 of the Companies Law. As provided for by article 506 of the Companies Law, both of these reports must be made available to the shareholders and disclosed at the first General Shareholders' Meeting held after the capital increase resolution is adopted.

Furthermore, although neither the Companies Law nor the Company's By-Laws impose any kind of limit on the right of the shareholders acting at the General Shareholders' Meeting to delegate to the Board of Directors the power to exclude pre-emptive rights, within a maximum of 50% of the share capital at the time of the authorisation, the Board of Directors has deemed it more appropriate, in line with national and international trends and recommendations on good corporate governance, to limit the use of such power to a maximum of 20% of the share capital at the time of the authorisation.

Likewise, the proposal also contemplates applying, where appropriate, for the listing of the shares to be issued by the Company pursuant to delegation of powers on the Spanish or foreign, official or unofficial, organized or other secondary markets, authorising the Board of Directors to carry out all acts and formalities necessary with the appropriate authorities of the various Spanish or foreign securities markets for the shares to be admitted to listing.

Finally, it is proposed to expressly authorise the Board of Directors to delegate the powers contemplated in the proposed resolution to which this report refers.

The delegation of powers to which this report refers substitutes that granted by the extraordinary Shareholders' Meeting on December 18, 2015, which, consequently, is deprived of effect.

In particular, the proposed resolution submitted for approval by the shareholders at the General Shareholders' Meeting reads as follows:



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ITEM SIX ON THE AGENDA

Delegation in the Board of Directors, with the express power of substitution, for a term of five years, the power to increase the share capital pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act, by up to one-half of the share capital on the date of the delegation. Delegation of the power to exclude pre-emptive rights in connection with the capital increases that the Board may approve under this authorisation, provided, however, that this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital on the date of this authorisation.

RESOLUTION

To authorise the Board of Directors, as broadly as may be required by Law, so that, as permitted by Article 297.1.b) of the Spanish Companies Act, it may increase the share capital on one or more occasions and at any time within a term of five years from the date of approval of this resolution, by up to one-half of the current share capital.

Said share capital increase or increases may be carried out with or without a premium, either by increasing the par value of the outstanding shares with the requirements set forth in the Law, or by issuing new ordinary or privileged shares (with or without voting rights), or redeemable shares, or any other type of shares valid under the applicable Laws, or different types of shares at one time, the consideration for which shall be cash contributions.

The Board of Directors shall decide, in connection with each increase, whether the new shares to be issued are common, preferred, redeemable, non-voting or any other kinds of shares among those permitted by Law. In addition, the Board of Directors may establish, as to all matters not otherwise contemplated, the terms and conditions of the share capital increase and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made and amend the article of the By-Laws relating to share capital and number of shares.

Furthermore, in connection with the share capital increases that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by Article 506 of the Spanish Companies Act, provided, however, that such power shall be limited to share capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the current share capital of the Company.

In any event, if the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, they will draft a detailed report explaining the purpose of such exclusion based on the Company's interest, along with the relevant Board's resolution and the corresponding from an account auditor other than the Company's auditor according to Article 506 of the Spanish Companies Act. Said reports will immediately be delivered in the Company's website and made available to all shareholders and communicated at the first General Shareholders Meeting after the issuance resolution.

By virtue of this authorisation, the Board of Directors is also empowered to make application for listing of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organized or other secondary markets, and to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the securities markets.



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The Board of Directors is also authorised to delegate in favour of any director or directors it deems appropriate the powers delegated thereto under this resolution.

Likewise, the Board of Directors is authorised, as broadly as may be required by Law, with substitution powers in any of the Company's directors, such that any of them, may carry out such acts as may be necessary and execute such public or private documents or agreements as may be necessary or convenient for the full effectiveness of the above resolution in any aspect and, in particular, to elaborate on, clarify, make more specific, interpret, complete, and correct it; also, to correct the defects, errors or omissions which may be observed in the oral or written assessment of the Commercial Registrar, as broadly as possible.

The present delegation of powers to the Board of Directors replaces the one granted by the extraordinary Shareholders' Meeting on 18 December 2015, which will therefore be rendered void.



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REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED DELEGATION TO THE BOARD OF DIRECTORS OF THE POWER TO ISSUE CONVERTIBLE OR EXCHANGEABLE DEBENTURES OR BONDS, AS WELL AS WARRANTS INCLUDED IN ITEM EIGHT ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON APRIL 20 AND 21, 2016 UPON FIRST CALL AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

This report has been drawn up by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**") pursuant to the provisions of Section 511 of the consolidated text of the Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Law**") and Section 319 of the Regulations of the Commercial Registry, applying the provisions of Section 297.1.(b) of the Companies Law by analogy to support the proposal -which is submitted for approval of the shareholders at the General Shareholders' Meeting of the Company called to be held on April 20 and 21, 2016, upon first and second call, respectively, under item eight on the Agenda, relating to the delegation to the Board of Directors, with the express power to delegate in others, to issue debentures or bonds that are convertible into and/or exchangeable for shares of the Company or of other companies within or outside of its group, and warrants on newly-issued shares or outstanding shares of the Company or of other companies within or outside of its group.

2. GENERAL REASONS FOR THE PROPOSAL

The Board of Directors regards it as highly desirable to hold the delegated powers allowed by current legislation in order to be at all times in a position to raise, on the primary securities markets, the funds that are necessary for the appropriate management of the corporate interests.

The purpose of the delegation is to provide the Company's decision-making body the maneuverability and responsiveness required by the competitive environment in which the Company operates, and in which the success of a strategic initiative or a financial transaction often depends on the possibility of responding quickly, without incurring the delays and costs that inevitably ensue from the call to, and holding of, a general shareholders' meeting. The Company's Board of Directors will thus be empowered, if necessary, to raise a significant volume of funds within a short period of time. This flexibility and agility is especially desirable in the current context, where changing market circumstances make it advisable for the Company's Board of Directors to have the necessary means to have recourse, at any time, to the different sources of financing available in order to obtain the most advantageous financial terms.

The issuance of debentures that are convertible into and/or exchangeable for shares is one of the instruments for the financing of companies by raising third-party funds. These securities have, on the one hand, the advantage of offering investors the possibility of converting their receivables from the Company into shares of the Company, receiving a potential return in excess of that offered by other debt instruments and, on the other hand, they allow the Company to increase equity. As a result, the coupon of convertible and/or exchangeable debentures is generally lower than the cost of simple fixed-income securities and bank debt given that the interest rate of the debentures reflects the underlying value of the option investors hold to convert them into shares of the Company.



For such purpose, pursuant to the provisions of Section 319 of the Regulations of the Commercial Registry and the general rules regarding issuance of debentures, and in accordance with Articles 12, 16, 17 and 18 of the Company's By-Laws, the resolution proposed under item eight of the agenda is submitted to the shareholders at the General Shareholders' Meeting for consideration. As far as warrants are concerned, it is specifically provided that the legal and contractual provisions applicable to convertible and/or exchangeable debentures will apply to warrants to the extent that they are compatible with the specific nature thereof.

The proposal specifically grants the Board of Directors the power to issue, on one or more occasions, convertible and/or exchangeable bonds and warrants entitling the holders thereof to subscribe newly-issued shares of the Company or to acquire shares of the Company that may then be outstanding and to resolve, when appropriate, to carry out the capital increase required to accommodate the conversion or the exercise of the option to subscribe for the shares, provided such increase, individually or cumulatively with any increases agreed to be made pursuant to other authorisations proposed by the Board of Directors to the shareholders at a General Shareholders' Meeting pursuant to the provisions of Section 297.1.b) of the Companies Law, does not exceed 50% of the share capital on the date of the resolution. The amount of the capital increases made to accommodate the conversion or exchange of debentures, warrants or other securities pursuant to this delegation, if any, will be deemed to be included within the limit available at any time to increase the share capital.

The proposed resolution submitted to the shareholders for approval at the General Shareholders' Meeting also establishes the standards to determine the terms and conditions for the conversion and/or exchange, although it entrusts to the Board of Directors, in the event that it resolves to use this authorisation granted by the shareholders at the General Shareholders' Meeting, the specific determination of some of the terms and conditions in respect of each specific issuance within the limits and in accordance with the standards established by the shareholders at the General Shareholders' Meeting. The Board of Directors will therefore be responsible for determining the specific ratio for conversion and, for such purpose, upon approving an issuance of convertible and/or exchangeable securities delegated in reliance on the authorisation granted by the shareholders at the General Shareholders' Meeting, it shall prepare a directors' report describing the specific terms and conditions for conversion applicable to the issuance, on which the auditor's report mentioned in articles 414 and 511 of the Companies Law will be prepared.

Specifically, the proposed resolution submitted by the Board of Directors for approval of the shareholders at the General Shareholders' Meeting establishes that the securities issued thereunder will be valued at their nominal amount and the shares at the fixed (determined or to be determined) or variable ratio determined in the corresponding resolution of the Board of Directors.

Thus, for purposes of the conversion and/or exchange, fixed-income securities will be valued at the nominal amount thereof and the shares at the fixed exchange ratio established by the Board of Directors in the resolution whereby the delegated powers are exercised, whether fixed or to be determined on the date or dates specified in the resolution of the Board of Directors, based on the listing price of the Company's shares on the date/s or during the period/s used as a reference in such resolution, which may not, in any event, be lower than the average exchange ratio for the shares on the Continuous Market (*Mercado Continuo*) of the Spanish Stock Exchanges, in accordance with closing listing prices during a period to be determined by the Board of Directors and which may not be greater than three months or less than five calendar days, prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed income securities, or prior to the date of payment of the securities by subscribers. A premium or discount, as appropriate, may also be set on the price per share.

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It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange will be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market (*Mercado Continuo*) during a period to be determined by the Board of Directors, which may not be greater than three months or less than five calendar days prior to the date of conversion or exchange. A premium or discount, as appropriate, may also be set on the price per share in this case.

In any of the cases described in the two preceding paragraphs, it is provided that, if a discount on the price per share is established, the discount may not exceed twenty-five percent.

The Board of Directors thus considers it is given an adequate degree of flexibility to set the value of the shares for purposes of the conversion on the basis of market conditions and other applicable considerations.

Similar standards will be applied, with any changes that may be required and to the extent applicable, for the issuance of debentures (or warrants) exchangeable for shares of other companies (in this case, any references to the Spanish stock exchanges will be deemed to be references to the markets on which the shares are listed).

In the case of warrants on newly-issued shares, the rules on convertible debentures set forth in the proposed resolution will apply to the extent that they are consistent with the nature thereof.

Furthermore, as established in article 415.2 of the Companies Law, the resolution delegating the power to issue convertible securities to the Board of Directors establishes, for the purposes of the conversion thereof, that the nominal value of the debentures may not be less than the par value of the shares. Convertible debentures may likewise not be issued for an amount lower than the nominal value thereof.

In addition, it is stated for the record that the authorisation to issue the convertible and/or exchangeable securities, as well as the warrants or similar securities that may carry the right, directly or indirectly, to subscribe for or acquire shares of the Company includes, pursuant to the provisions of article 511 of the Companies Law, granting the Board of Directors the power to exclude the pre-emptive rights of the shareholders, in whole or in part, when so required to raise funds on the markets or otherwise justified by the corporate interest.

The Board of Directors believes that the exclusion of pre-emptive rights allows for a relative reduction in the financial cost and the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issuance), as compared to an issuance with pre-emptive rights, while causing less distortion in the trading of the shares of the Company during the issuance period. In any event, pursuant to the provisions of article 511 of the Companies Law, in the event that the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with one or all of the issuances it may decide to carry out pursuant to the delegated powers, it shall, when adopting the respective resolution to carry out the issuance, issue a report specifying the reasons of corporate interest justifying the measure, on which there must also be prepared the respective report of an auditor other than the Company's auditor appointed by the Commercial Registry, as stated in article 414 of the Companies Law. Both reports will be made available to the shareholders and disclosed at the first General Shareholders' Meeting held following approval of the resolution establishing the issuance.

While neither the Companies Law nor the By-Laws limit in any way the ability of the shareholders at the General Shareholders' Meeting to delegate to the Board of Directors the power to exclude pre-emptive rights, within a maximum amount of 50% of the share capital of the Company at the time of the authorisation, the Board of Directors has deemed it more appropriate, in keeping with national and



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international trends and recommendations on corporate governance, to limit such power, to a maximum aggregate amount of 20% of the share capital at the time of the authorisation.

In addition, it is established that the securities issued pursuant to the powers delegated hereby may be admitted to trading on the appropriate Spanish or foreign, official or unofficial, organized or other secondary market.

Furthermore, it may sometimes be desirable to issue the securities under this proposed resolution through a subsidiary and guaranteed by the Company, which is also contemplated in the By-Laws. Accordingly, it is deemed to be of interest for the shareholders at the General Shareholders' Meeting to authorise the Board of Directors to guarantee, in the name of the Company, and within the limits described above, such new issuances of convertible and/or exchangeable fixed-income securities or warrants as may be made by subsidiaries during the effective period of this resolution, in order that the Board of Directors may be granted the utmost flexibility in structuring the issuances of securities in the manner that may be most appropriate in the circumstances.

All the powers to be granted to the Board of Directors if the resolution proposed herein is adopted will be granted with the express power of delegation, so as to further contribute to achieving the purpose of expediting the proposed transactions.

Finally, it is proposed to deprive of effect the authorisation for the issuance of debentures or bonds exchangeable for and/or convertible into shares of the Company and warrants on newly-issued shares or shares of the Company that may then be outstanding granted by the Shareholders' Meeting on 28 April 2015.

The full text of the proposed resolution regarding delegation of the power to issue debentures or bonds that may be exchanged for and/or converted into shares of the Company and warrants on newly-issued shares or shares of the Company that may then be outstanding reads as follows.

ITEM EIGHT ON THE AGENDA

Delegation in the Board of Directors, with the express power of substitution, for a term of five years, the power to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies within or outside of its group, and warrants on newly-issued or outstanding shares of the Company or of other companies within or outside of its group, up to a maximum limit of 400 million euros. Establishment of the standards for determining the basis for and terms and conditions applicable to the conversion, exchange or exercise. Delegation to the Board of Directors, with the express power of substitution, of the powers required to establish the basis for and terms and conditions applicable to the conversion, exchange or exercise, as well as, in the case of convertible debentures and bonds and warrants on newly-issued shares, of the power to increase share capital to the extent required to accommodate requests for the conversion of debentures or for the exercise of warrants, with the power in the case of issues of convertible and/or exchangeable securities to exclude the pre-emptive rights of the Company's shareholders, although this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital of the Company as of the date of this authorisation.



RESOLUTION

To authorise the Board of Directors, pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 286, 297 and 511 of the Spanish Companies Act (*Ley de Sociedades de Capital*), Article 319 of the Regulations of the Commercial Registry, and Articles 12, 16, 17 Y 18 of the By-Laws, to issue negotiable securities under the following terms:

1. Securities to be issued.- The negotiable securities contemplated in this delegation may be debentures and bonds that are exchangeable for shares of the Company or of any other company within or outside of its group and/or convertible into shares of the Company, as well as warrants (options to subscribe for new shares of the Company or to acquire existing shares of the Company or of any other company within or outside of its group).

2. Period of the delegation.- The issuance of the securities covered by this delegation may be effected on one or more occasions within a maximum period of five years following the date of adoption of this resolution.

3. Maximum amount under this delegation.- The aggregate maximum amount of the issuance or issuances of securities approved under this delegation shall be five 400 million euros or the equivalent thereof in another currency. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants under the issuances resolved to be made in exercise of the powers delegated hereby shall be taken into account.

4. Scope of the delegation.- In exercise of the delegation of powers approved hereby, the Board of Directors shall be authorised to do the following, by way of example and not of limitation, with respect to each issuance: determine the amount thereof, always within the aforementioned overall quantitative limit, the place of issuance (in Spain or abroad), and the domestic or foreign currency, and in the case of a foreign currency, its equivalence in euros; the name or form of the securities, whether they be bonds or debentures, including subordinated debentures, warrants (which may in turn be paid by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other name or form permitted by Law; the date or dates of issuance; the number of securities and the par value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable), and the dates and procedures for payment of the coupon; whether the issuance is perpetual or subject to repayment and, in the latter case, the repayment period and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; antidilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the listing of the securities to be issued on Spanish or foreign, official or unofficial, organized or other secondary markets, subject to the requirements established by applicable regulations in each case; and, in general, any other terms of the issuance as well as, if applicable, the appointment of the security-holders' syndicate representative (*comisario*) and the approval of the basic rules that are to govern the legal relationships between the Company and the syndicate of holders of the securities to be issued, in the event that such syndicate must or is decided to be created.

In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of the security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued, as well as the respective



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period thereof and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.

5. *Basis for and terms and conditions applicable to the conversion and/or exchange.* - *In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis for and terms and conditions applicable to the conversion and/or exchange, it is resolved to establish the following standards:*

- a) *The securities issued pursuant to this resolution shall be convertible into shares of the Company or of any other company, within or outside of its group and/or exchangeable into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to decide whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals and during the period established in the resolution providing for the issuance, which may not exceed thirty years from the date of issuance.*
- b) *In the event that the issuance is convertible and exchangeable, the Board may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.*
- c) *For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof, and the shares at the fixed exchange ratio (determined or able to be determined) established in the resolution of the Board of Directors whereby this delegation of powers is exercised, or at a variable ratio to be determined on the date or dates specified in such resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed exchange ratio so determined may not be less than the average exchange ratio for the shares on the Continuous Market of the Spanish Stock Exchanges on which the Company's shares are admitted to listing, in accordance with closing listing prices during a period to be set by the Board of Directors and which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above.*
- d) *It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the Company's shares on the Continuous Market during a period to be set by the Board of Directors, which shall not be greater than three months nor less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance (or for each tranche of an issuance, if any), provided,*

however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference value as set forth above.

- e) Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of the issuance, any difference that may arise in such case.*
- f) In no event may the value of the share for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. In addition, pursuant to the provisions of Article 415 of the Spanish Companies Act, debentures may not be converted into shares when the nominal value of the former is less than the par value of the latter.*

When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion that are specifically applicable to the respective issuance. Such report shall be accompanied by the corresponding report, prepared by the auditor appointed by the Commercial Registry and different from the auditor of the Company, mentioned in Article 414 of the Spanish Companies Act.

6. Basis for and terms and conditions for the exercise of warrants and other similar securities.-

In the event of issuances of warrants, it is resolved to establish the following standards:

- a) In the case of issuances of warrants, to which the provisions of the Spanish Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or of rights to acquire shares of the Company or of another company within or outside of the Group, or to a combination thereof, arising from the securities of this kind issued under the delegation granted hereby. The standards set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.*
- b) The preceding standards shall apply, with any changes that may be required and to the extent applicable, to the issuance of fixed-income securities (or warrants) that are exchangeable for shares of other companies. Where appropriate, all references to the Spanish Stock Exchanges shall be deemed made to the markets, if any, on which the respective shares are listed.*

7. This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:

- a) The power of the Board of Directors, as permitted by Article 511 of the Spanish Companies Act, in connection with Article 417 of said Law, to totally or partially exclude the pre-emptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures, warrants and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of an auditor, other than the Company's auditor and appointed by the Commercial Registry, mentioned in Articles 414 and 511 of the Spanish Companies Act. Both such reports shall be published in the corporate website of the Company*

and made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance.

This power shall in any event be limited to capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the share capital as of the date of adoption of this resolution.

- b) The power to increase share capital to the extent required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board of Directors, adding the capital increase effected to accommodate the issuance of convertible debentures, warrants and other similar securities and the other capital increases approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital provided by Article 297.1(b) of the Spanish Companies Act. This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the By-Laws relating to the amount of the share capital and, if appropriate, to cancel the portion of such capital increase that was not required for the conversion of shares and/or the exercise of the right to subscribe for shares.*
- c) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the standards set out in articles 5 and 6 above.*
- d) The delegation to the Board of Directors includes the broadest powers that may be required by Law in order to interpret, apply, implement and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding capital increase, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end, the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officers or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding capital increase to the oral or written assessment of the Commercial Registrar or, in general, of any other Spanish or foreign competent authorities, officers or entities.*

8. Listing of securities.- Whenever appropriate, the Company shall make application for listing on Spanish or foreign, official or unofficial, organized or other secondary markets of the convertible and/or exchangeable debentures and/or bonds or of the warrants issued by the Company exercising the powers delegated hereby, and the Board of Directors is authorised, as fully as is required by Law, to conduct all acts and formalities that may be necessary for admission to listing before the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, and, in such case, the interests of the shareholders or debentureholders opposing or not voting on the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock



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Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing and delisting.

9. *Guarantee in support of issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries.*- *As permitted in the By-Laws, the Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries during the effective period of this resolution.*

10. *Power of substitution.*- *The Board of Directors is hereby expressly authorised to delegate the powers contemplated in this resolution.*

11. *The present delegation of powers to the Board of Directors replaces the one granted by the General Shareholders' Meeting of the Company on 28 April 2015, which will therefore be rendered void.*



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REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. REGARDING PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION REFERRED TO IN POINT TENTH OF THE AGENDA FOR THE ORDINARY GENERAL MEETING CALLED FOR 20 AND 21 APRIL 2016, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

The Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**" or "**Lar España**") issues this report to explain the proposed amendment of the Articles of Association of Lar España (the "**Articles of Association**") submitted to approval of the General Meeting under point tenth of the agenda. For all appropriate purposes, this report also includes the full text of the proposed amendments.

To facilitate shareholder understanding of the changes underlying these proposals, we offer an explanation of the purpose and justification of those changes and, thereafter, set forth the proposed resolutions submitted for approval of the General Meeting of shareholders.

Finally, in order to facilitate comparison of the new and current texts of the articles proposed to be amended, attached as an **Annex** to this report is text highlighting the changes proposed to be incorporated in the current text.

2. GENERAL EXPLANATION OF THE PROPOSAL

In line with the content of the report made for purposes of the amendment of the Regulations of the General Meeting of shareholders submitted to the ordinary General Meeting, the amendments proposed to the Articles of Association generally fall within the process of ongoing revision and updating undertaken by the Company related to its internal corporate governance rules. Generally, the objectives of these amendments are as follows:

- a) To adapt the Articles of Association to the most recent legislative changes regarding listed corporations and other capital companies incorporated in the Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act ("**LSC**"), by the Act 22/2015, of 20 July, of Accounts Auditing ("**Audit Act**"), by Act 9/2015, of 25 May 2015, of urgent insolvency measures ("**Act 9/2015**"), and by Act 15/2015, of 2 July, of Voluntary Jurisdiction ("**Voluntary Jurisdiction Act**").
- b) To adapt the Articles of Association to the recommendations in the Code of Good Governance of Listed Companies approved on 18 February 2015 by the National Securities Market Commission (the "**Good Governance Code**").
- c) To revise the Articles of Association to simplify the content thereof, correct errors and introduce improvements of a technical nature.

3. STRUCTURE OF THE AMENDMENT AND GENERAL EXPLANATION

To facilitate appropriate exercise of voting rights by the shareholders, in line with the recommendation of the Good Governance Code and article 197 bis of the Spanish Companies Act, the proposed amendments have been grouped, for purposes of voting, into the following different blocks, to wit:

- a) Amendment related to name, purpose, term and registered address



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- b) Amendment related to the General Meeting of shareholders
- c) Amendments related to the management body

4. SPECIFIC EXPLANATION OF THE AMENDMENT

The explanation of the proposed amendment of the Articles of Association included in this report is made on the basis of the aforesaid grouping of amendments, following that order, in order to facilitate their explanation:

4.1 Amendment related to name, purpose, term and registered address.

The following amendments are proposed to adapt the text of the Articles of Association to the amendments incorporated by Act 9/2015:

- a) **Article 3 (Registered address and corporate website)**, for purposes of addressing the amendments included in the LSC by Act 9/2015, which grants the Board of Directors the power to move the registered address of the Company within the national territory.

4.2 Amendment related to the General Meeting of shareholders.

The following amendments are proposed to adapt the text of the Articles of Association to the amendments incorporated by the Voluntary Jurisdiction Act:

- a) **Article 22 (Call of the General Meetings of shareholders)**, expressly reflect the new regulation incorporated in the LSC by the Voluntary Jurisdiction Act, allowing the Shareholders' Meeting to be called by the judicial clerk and by the Registrar of the Commercial Registry of the Company's corporate domicile, in concordance with the applicable law from time to time.

4.3 Amendments related to the management body.

The following amendments are proposed for purposes of (i) adapting the text to the amendments incorporated by the Audit Act in the Articles of Association and (ii) incorporating technical improvements:

- a) **Article 35 (Term of office)**, for purposes of incorporating the regulations provided in article 529 decies of the LSC, regarding the appointment by co-opting of members of the board of traded companies when the vacancy takes place after the call of the Shareholders' Meeting by before the Shareholders' Meeting takes place.
- b) **Article 42 (Audit and Control Committee. Composition, authority and functioning)** for purposes of (i) adapting its authority as set forth in section 2 to the reforms incorporated in the LSC by the Audit Act, as well as (ii) including certain recommendations established in the Good Governance Code regarding the powers of the Audit and Control Committee.

5. RESOLUTION PROPOSED TO THE GENERAL MEETING OF SHAREHOLDERS

Set forth below is the literal full text of the proposed resolution submitted for approval of the ordinary General Meeting regarding point tenth of the agenda:

ITEM TEN ON THE AGENDA

Amendments of the Articles of Association

RESOLUTION



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*After the required report from the Board of Directors, to resolve amendment of the following articles of the Articles of Association: article 3 (Registered address and corporate website), article 22 (Call of General Meetings of shareholders), article 35 (Term of Office) and article 42 (Audit and Control Committee. Composition, authority and functioning) to adapt their content to latest amendments of the Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (the "**Spanish Companies Act**") and to incorporate other improvements regarding corporate governance and of a technical nature.*

In particular, the foregoing amendments are intended to adapt the content of the Articles of Association to Act 22/2015, of 20 July, of Accounts Auditing, to Act 15/2015, of 2 July, of Voluntary Jurisdiction, to Act 9/2015, of 25 May, of urgent insolvency measures, and to incorporate other improvements regarding corporate governance (set forth in the Code of Good Governance for Listed Companies of 18 February 2015) and of a technical nature, which must be reflected in the Articles of Association.

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

10.1 Amendment related to name, purpose, term and registered address.

Article 3.- Registered address and corporate website

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

10.2 Amendment of articles related to the General Meeting of shareholders.

Article 22.- Call of General Meetings of shareholders

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

3. *The website on which the notice of call of General Meetings of shareholders will be published is www.larespana.com.*
4. *Shareholders representing at least 3% of the share capital may, within the terms and on the conditions established by law, request that a supplement to the call of an ordinary General Meeting of shareholders be published, including one or more points on the agenda, provided that the new points are accompanied by an explanation or an explained proposed resolution, and they may also present explained proposed resolutions regarding issues already on the agenda or that are to be included on the agenda of an already called General Meeting of shareholders. The Company will publish the supplement to the call and the aforesaid explained proposed resolutions on the terms contemplated by law.*
5. *If a duly called General Meeting of shareholders is not held on first call, and the date on second call is not stated in the notice, it must be notified, with the same agenda and the same publication requirements as the first, within the fifteen days following the date of the General Meeting that was not held, at least ten days in advance of the meeting date.*
6. *The management body must also call the General Meeting of shareholders whenever shareholders representing at least 3% of the share capital so request, in the request stating the matters to be discussed at the General Meeting, which must necessarily be included on the agenda by the management body. 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.*

10.3 Amendments related to the management body

Article 35.- Term of office

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

Article 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, particularly its Chairman, will be appointed on the basis of their knowledge and experience in accounting, auditing or risk management 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 members of the Audit and Control Committee will hold office for a maximum term of three years, and may be re-elected one or more times for periods of the same maximum length.

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

- 2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee will exercise the following basic functions:*
 - a. Supervising the calculation of the fees received by the Management Company for performance of its duties.*
 - b. Reporting to the General Meeting of shareholders regarding questions posed by shareholders that fall within the scope of its authority and, in particular, with regards to the outcome of the auditing, explaining how it has contributed to the integrity of the financial information and the duties performed by the Committee during this process.*
 - c. Supervising the effectiveness of internal control of the Company and its Group, as well as its risk management systems.*
 - d. Together with the statutory auditors, analysing significant weaknesses of the internal control system detected during conduct of the audit, without undermining its independence.*
 - e. Supervising the process of preparation and presentation of the mandatory financial information, and present recommendations and proposals to the Board of Directors, directed at safeguarding its independence.*
 - f. Making proposals to the Board of Directors for submission to the General Meeting of shareholders concerning the appointment of statutory auditors, being responsible for the appointment process, in accordance with applicable legislation.*
 - g. Supervising the activity of the Company's internal audit function.*
 - h. Establishing appropriate relationships with the statutory auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may pose a risk to their independence and any other matters relating to the audit process and, where appropriate, the authorization of any of the services different from the prohibited services, in accordance with the applicable law, as well as any other communications provided for in audit legislation and other audit regulations. In any event, on an annual basis the Committee must receive from the statutory auditors written confirmation of their independence vis-à-vis the Company or entities directly or indirectly related to it, in addition to individualized 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.*
 - i. Issuing annually, prior to the audit report, a report containing an opinion on whether or not the independence of the auditors or auditing companies is compromised. This report must, in all cases, express an opinion about the provision of the additional services referred to in the preceding paragraph.*
 - j. Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.*



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- k. Reporting, prior to the Board of Directors meetings, on all matters contemplated in the law, the Articles of Association and the Board of Directors Regulations, in particular regarding: (i) the financial information 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; (iii) transactions with related parties; and (iv) the economic conditions and their impact on the accounts and, where appropriate, the exchange rate applicable in corporate restructuring transactions performed by the Company.*
 - l. Any others given to it by the Board of Directors in its corresponding Regulations.*
- 3. The Audit and Control Committee will meet, ordinarily on a quarterly basis, in order to review the periodic financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It also will meet at the request of any of its members and when called by its Chairman. The Chairman is to call the meeting whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority. There will be a quorum when one half plus one of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by majority vote. In the event of a tie, the Chairman will have a casting vote.*
- 4. The Board of Directors may develop the foregoing set of rules in its corresponding Regulations.*



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ANNEX

Article 3.- Registered address and corporate website

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

Article 22.- Call of General Meetings of shareholders

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

resolutions regarding issues already on the agenda or that are to be included on the agenda of an already called General Meeting of shareholders. The Company will publish the supplement to the call and the aforesaid explained proposed resolutions on the terms contemplated by law.

5. If a duly called General Meeting of shareholders is not held on first call, and the date on second call is not stated in the notice, it must be notified, with the same agenda and the same publication requirements as the first, within the fifteen days following the date of the General Meeting that was not held, at least ten days in advance of the meeting date.
6. The management body must also call the General Meeting of shareholders whenever shareholders representing at least 3% of the share capital so request, in the request stating the matters to be discussed at the General Meeting, which must necessarily be included on the agenda by the management body. 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 ~~judicial~~ call of a General Meeting of shareholders, ~~the~~ 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 35.- Term of office

1. Board members shall hold office for a term of three years, at which time they may be re-elected one or more times for equal terms of office.
2. The appointment of directors shall expire when, the deadline having expired, the following General Shareholders' Meeting has been held, or the statutory term for the General Shareholders' Meeting at which the approval of the previous year's financial statements must be decided upon has elapsed.
3. Board members appointed by co-opting shall hold office until the next General Shareholders' Meeting ~~held after their appointment~~. 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 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, particularly its Chairman, will be appointed on the basis of their

knowledge and experience in accounting, auditing or risk management 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 members of the Audit and Control Committee will hold office for a maximum term of three years, and may be re-elected one or more times for periods of the same maximum length.

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

2. Notwithstanding any other task that may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee will exercise the following basic functions:
 - a. Supervising the calculation of the fees received by the Management Company for performance of its duties.
 - b. Reporting to the General Meeting of shareholders regarding questions posed by shareholders that fall within the scope of its authority and, in particular, with regards to the outcome of the auditing, explaining how it has contributed to the integrity of the financial information and the duties performed by the Committee during this process.
 - c. Supervising the effectiveness of internal control of the Company and its Group, as well as its risk management systems.
 - d. Together with the statutory auditors, analysing significant weaknesses of the internal control system detected during conduct of the audit, without undermining its independence.
 - e. Supervising the process of preparation and presentation of the ~~regulated~~ mandatory financial information, and present recommendations and proposals to the Board of Directors, directed at safeguarding its independence.
 - f. Making proposals to the Board of Directors for submission to the General Meeting of shareholders concerning the appointment of statutory auditors, being responsible for the appointment process, in accordance with applicable legislation.

- g. Supervising the activity of the Company's internal audit function.
 - h. Establishing appropriate relationships with the statutory auditors in order to receive information, for examination by the Audit and Control Committee, on matters that may ~~jeopardise~~ pose a risk to their independence and any other matters relating to the audit process and, where appropriate, the authorization of any of the services different from the prohibited services, in accordance with the applicable law, as well as any other communications provided for in audit legislation and other audit regulations. In any event, on an annual basis the Committee must receive from the statutory auditors written confirmation of their independence vis-à-vis the Company or entities directly or indirectly related to it, in addition to individualized and detailed information on additional services of any kind rendered to and the fees received from these entities by the aforementioned ~~statutory auditors~~ external auditor, or persons or entities related to ~~them~~ him, as provided in the audit legislation.
 - i. Issuing annually, prior to the audit report, a report containing an opinion on whether or not the independence of the ~~statutory~~ auditors or auditing companies is compromised. This report must, in all cases, express an opinion about the provision of the additional services referred to in the preceding paragraph.
 - j. Appointing and supervising the services of external appraisers in relation to the appraisal of the Company's assets.
 - k. Reporting, prior to the Board of Directors meetings, on all matters contemplated in the law, the Articles of Association and the Board of Directors Regulations, in particular regarding: (i) the financial information the Company is to publish periodically; (ii) the creation or acquisition of interests in special-purpose vehicles or entities domiciled in countries or territories that are considered to be tax havens; ~~and~~ (iii) transactions with related parties; and (iv) the economic conditions and their impact on the accounts and, where appropriate, the exchange rate applicable in corporate restructuring transactions performed by the Company.
 - l. Any others given to it by the Board of Directors in its corresponding Regulations.
3. The Audit and Control Committee will meet, ordinarily on a quarterly basis, in order to review the periodic financial information to be submitted to the stock market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It also will meet at the request of any of its members and when called by its Chairman. The Chairman is to call the meeting

whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority. There will be a quorum when one half plus one of the directors that are members of the Committee are present in person or by proxy, adopting its resolutions by majority vote. In the event of a tie, the Chairman will have a casting vote.

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



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REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. REGARDING PROPOSED AMENDMENT OF THE GENERAL MEETING REGULATIONS REFERRED TO IN POINT ELEVEN OF THE AGENDA FOR THE ORDINARY GENERAL MEETING CALLED FOR 20 AND 21 APRIL 2016, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

The Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**" or "**Lar España**") issues this report to explain the proposed amendment of the General Shareholders Meeting Regulations of Lar España (the "**Regulations**") submitted to approval of the General Meeting under point eleventh of the agenda. For all appropriate purposes, this report also includes the full text of the proposed amendments.

To facilitate shareholder understanding of the change that motivates this proposal, we offer an explanation of the purpose and justification of the changes and, thereafter, set forth the proposed resolution submitted for approval of the General Meeting of shareholders.

Finally, in order to facilitate comparison of the new and current texts of the articles proposed to be amended, attached as an **Annex** to this report is text highlighting the changes proposed to be introduced in the current text.

2. GENERAL EXPLANATION OF THE PROPOSAL

In line with the content of the report made for purposes of the amendment of the articles submitted to the ordinary General Meeting, the amendments proposed to the General Meeting Regulations of the Company fall within the process of ongoing revision and updating undertaken by the Company related to its internal corporate governance rules. Generally, the objectives of these amendments are as follows:

- a) To adapt the Regulations to the recommendations of the Code of Good Governance for Listed Companies approved by the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on 18 February 2015 ("**Code of Good Governance**").
- b) To take advantage of the revision of the Regulations to introduce other improvements of a technical nature.

This reform of the Regulations also supplements the reform of the Articles of Association that is also proposed to the General Meeting.

3. STRUCTURE OF THE AMENDMENTS AND GENERAL EXPLANATION

This amendment is aimed principally at adapting the text of the Regulations, with the greatest rigor possible, to the literal text of the applicable regulations and, within the framework of that adaptation, to incorporate the recommendations of the Code of Good Governance.

Article 197 *bis* of the Spanish Companies Act provides that those matters that are substantially independent of each other, in particular each article or group of articles having their own autonomy, must be voted on separately. In this regard, the proposed amendments have been grouped, for voting purposes, into the following different blocks:

- a) Amendments related to Title III of the General Shareholders Meeting Regulations (Call and preparation of the General Meeting); and



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- b) Amendments related to Title IV of the General Shareholders Meeting Regulations (Conduct of the General Meeting).

4. SPECIFIC EXPLANATION OF THE AMENDMENTS

The explanation of the proposed amendment of the General Meeting Regulations included in this report is made on the basis of the aforesaid grouping of amendments, following that order, in order to facilitate the explanation.

4.1 Amendment related to Title III of the General Shareholders Meeting Regulations (Call and preparation of the General Meeting)

Amendment of the following articles is proposed to adapt their text to recommendations of the Code of Good Governance:

- a) **Article 8 (Availability of information from the date of the call on the Company's website)**, specifically section 2, with the purpose of incorporating the documents laid out in recommendation 6 of the Code of Good Governance to the list of documents that the Company must make available to the shareholders from the date of notice of call of the Shareholders' Meeting.

4.2 Amendment related to Title IV of the General Shareholders Meeting Regulations (Conduct of the General Meeting)

It is proposed to amend the following articles for purposes of (i) adapting the text to the amendments of the Spanish Companies Act and (ii) to technically improve the texts of certain sections:

- a) **Article 29 (Representation through financial intermediaries)** and, specifically, section 1, with the purpose of adapting its text to article 201 of the Spanish Companies Act and improving its wording.

5. RESOLUTION PROPOSED TO THE GENERAL MEETING OF SHAREHOLDERS

Set forth below is the literal full text of the proposed resolution submitted for approval of the ordinary General Meeting regarding point eleven of the agenda:

ITEM ELEVEN ON THE AGENDA

Amendment of the General Shareholders Meeting Regulations

RESOLUTION

After the required report from the Board of Directors, to resolve to amend the following articles of the General Meeting Regulations: article 8 (Availability of information from the date of call on the Company's website) and article 29 (Adoption of resolutions and termination of the General Shareholders' Meeting) to incorporate other corporate governance improvements (set forth in the Code of Good Governance of Listed Companies of 18 February 2015) and improvements of a technical nature.

The purpose of the foregoing amendment is to adapt the content of the General Meeting Regulations to amendments included in the Spanish Companies Act and the improvements regarding corporate governance (set forth in the Code of Good Governance for Listed Companies of 18 February 2015) and of a technical nature, which must be reflected in the General Meeting Regulation.



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

11.1 Amendments related to Title III of the General Shareholders Meeting Regulations (Call and preparation of the General Meeting)

Article 8.- Availability of information from the date of call on the Company's website

- 1. In addition to what is required by law or the articles and the provisions of these Regulations, from the date of publication of the call of the General Meeting of shareholders, the Company on its website will publish the full text of the proposed resolutions that have already been prepared by the management body regarding the points on the agenda, the reports that are mandatory or decided upon by the management body, as well as such explained proposed resolutions on matters already included or that are to be included on the agenda of the General Meeting as may be presented by shareholders on the terms contemplated in the applicable regulations.*
- 2. In addition, from the date of notice of call all such information as is deemed to be useful or appropriate to facilitate attendance and participation of shareholders at the General Meeting of shareholders will be placed on the Company's website. Such information by way of illustration will, if applicable, include the following:*
 - a. The procedure for obtaining the attendance card.*
 - b. Instructions for remote voting or proxies using the media, if any, contemplated in the notice of call.*
 - c. Information on the place where the General Meeting of shareholders is to be held and the manner of reaching and accessing it.*
 - d. Information, if any, regarding systems or procedures that facilitate monitoring the General Meeting of shareholders.*
 - e. Information on the manner a shareholder may exercise its information right.*
 - f. If the General Meeting of shareholders is to deliberate on the appointment or ratification of directors, from the date of publication of the notice of call, in addition to what is required by law or the articles, the following updated information also will be published on the Company's website:*
 - i. Professional experience and background.*
 - ii. Other significant directorships held in other companies, listed or otherwise.*
 - iii. Indication of the category to which the director belongs, in the case of proprietary directors indicating the shareholder represented or to which the director is related.*
 - iv. The date of first and subsequent appointments as a director of the Company.*
 - v. Shares and options on shares of the Company held by the director.*
 - g. The supplement to the call of the General Meeting of shareholders, if any.*
 - h. Report regarding the Auditor's independence.*
 - i. Reports regarding the functioning of the Audit and Control Committee and the Remuneration and Nominations Committee.*
 - j. Report prepared by the Audit and Control Committee regarding related transactions.*



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k. Report regarding the corporate social responsibility policy.

11.2 Amendments related to Title IV of the General Shareholders Meeting Regulations (Conduct of the General Meeting)

Article 29.- Adoption of resolutions and termination of the General Shareholders' Meeting

1. *Resolutions shall be adopted by the simple majority of the shares with voting rights present and represented in the General Shareholders' Meeting, this is, when the resolution obtains more votes in favour than against of the share capital present and represented, except for those cases in which the applicable law or the Company's Articles of Association require a different majority. For the resolutions regarding points that were not included in the General Meeting's agenda, the shares that are not present or represented will not be taken into account in the calculation of the aforementioned majority.*

2. *The Chairman will declare the approval of the resolutions when he is aware of the existence of enough votes in favour of the resolution, without prejudice of recording in the minutes the sense of the vote or the abstention of the present shareholders that request it to the notary (or, where appropriate, the Secretary or assistance personnel).*

3. *Once the voting of the proposed resolutions has been completed and the result has been declared by the Chairman, the Shareholders' Meeting will be concluded and the Chairman will declared the adjournment of the meeting.*



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Artículo 8.- Puesta A disposición de información desde la fecha de la convocatoria en la página web de la Sociedad

1. Además de lo exigido por disposición legal o estatutaria y de lo previsto en este Reglamento, desde la fecha de publicación de la convocatoria de la Junta General de accionistas, la Sociedad publicará en su página web el texto íntegro de las propuestas de acuerdo que ya hubiese formulado el órgano de administración en relación con los puntos del orden del día, los informes que sean preceptivos o que se determinen por el órgano de administración, así como aquellas propuestas de acuerdo fundamentadas sobre asuntos ya incluidos o que deban incluirse en el orden del día de la Junta General que pudieran presentar los accionistas en los términos previstos por la normativa aplicable.
2. Además, desde la fecha del anuncio de convocatoria se incorporará a la página web de la Sociedad toda aquella información que se estime útil o conveniente para facilitar la asistencia y participación de los accionistas en la Junta General de accionistas, incluyendo, en su caso y a título ilustrativo, lo siguiente:
 - a. Procedimiento para la obtención de la tarjeta de asistencia.
 - b. Instrucciones para ejercer o delegar el voto a distancia a través de los medios que se hayan previsto, en su caso, en el anuncio de convocatoria.
 - c. Información sobre el lugar donde vaya a celebrarse la Junta General de accionistas y la forma de llegar y acceder al mismo.
 - d. Información, en su caso, sobre sistemas o procedimientos que faciliten el seguimiento de la Junta General de accionistas.
 - e. Información sobre la forma en que el accionista puede ejercer su derecho de información.
 - f. En el caso de que la Junta General de accionistas deba deliberar sobre el nombramiento o ratificación de consejeros, desde la fecha de publicación del anuncio de su convocatoria, también se publicará en la página web de la Sociedad, además de lo exigido por disposición legal o estatutaria la siguiente información actualizada:
 - i. Perfil profesional y biográfico.
 - ii. Otros consejos de administración de relevancia a los que pertenezca, se trate o no de sociedades cotizadas.

- iii. Indicación de la categoría de consejero a la que pertenezca, señalándose, en el caso de consejeros dominicales, el accionista al que representen o a quien estén vinculados.
 - iv. Fecha de su primer nombramiento como consejero de la Sociedad, así como de los posteriores.
 - v. Acciones y opciones sobre acciones de la Sociedad de las que sea titular.
- g. El complemento de la convocatoria de la Junta General de accionistas, en su caso.
- [h. Informe sobre la independencia del auditor.](#)
- [i. Informes de funcionamiento de las Comisiones de Auditoría y Control y de Nombramientos y Retribuciones.](#)
- [j. Informe de la Comisión de Auditoría y Control sobre operaciones vinculadas.](#)
- [k. Informe sobre la política de responsabilidad social corporativa.](#)

Artículo 29.- Adopción de acuerdos y finalización de la Junta General de accionistas

1. Los acuerdos ~~quedarán aprobados cuando los votos a favor de la propuesta excedan de la mitad de los votos correspondientes a~~ sociales se adoptarán por mayoría simple de las acciones ~~concurrentes~~, con derecho a voto presentes y representadas en la Junta General, entendiéndose adoptado un acuerdo cuando obtenga más votos a favor que en contra del capital presente y representado, salvo en los casos en que la normativa vigente o los Estatutos Sociales exijan una mayoría distinta. En los acuerdos relativos a asuntos no comprendidos en el orden del día se excluirán de la base para el cómputo de la mayoría anteriormente indicada las acciones que no tengan la consideración de presentes ni representadas.
2. El Presidente declarará aprobados los acuerdos cuando tenga constancia de la existencia de votos a favor suficientes, sin perjuicio de dejar constancia en el acta del sentido del voto o abstención de los accionistas asistentes que así lo indiquen al notario (o, en su caso, al Secretario o personal que lo asista).
3. Finalizada la votación de las propuestas de acuerdo y proclamado su resultado por el Presidente, concluirá la celebración de la Junta General de accionistas y el Presidente declarará levantada la sesión.



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REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. EXPLAINING THE PROPOSED AMENDMENT OF THE BOARD OF DIRECTORS REGULATIONS

1. INTRODUCTION

This report is prepared by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (the "**Company**" or "**Lar España**"), in accordance with the provisions of article 3 of the Board of Directors Regulations (the "**Regulations**"), to explain the proposed amendment of the Regulations to be submitted to approval of the Board of Directors on the initiative of its Chairman.

To facilitate understanding of the changes underlying these proposals, we offer a description of the purpose and justification of those changes.

Finally, in order to facilitate comparison of the new and current drafts of the articles it is proposed to amend, and to facilitate understanding of the new texts introduced into the Regulations, included as an **Annex** to this report is a compared version of the current version of the Regulations, with the proposed changes marked.

2. GENERAL EXPLANATION OF THE PROPOSAL

In line with the amendment of the articles and the General Shareholders Meeting Regulations to be posed to the ordinary General Meeting, the proposed amendments of the Regulations fall within the process of ongoing revision and updating undertaken by the Company related to its internal corporate governance rules. Generally, the objectives of these amendments are as follows:

- a) To adapt the Regulations to the most recent legislative changes regarding listed corporations and other capital companies introduced in the refunded text of the Spanish Companies Act ("**LSC**"), by Act 22/2015 of 20 July, of Accounts Auditing ("**Audit Act**").
- b) To adapt the Regulations to recommendations in the Code of Good Governance of Listed Companies approved on 18 February 2015 by the National Securities Market Commission (the "**Good Governance Code**").
- c) To incorporate into the regulations the changes to the Articles of Association that will be proposed for approval at the next General Meeting of shareholders, to guarantee consistency of the Company's internal rules as a whole.
- d) To revise the Regulations to simplify the content thereof, correct errors and introduce improvements of a technical nature.

3. STRUCTURE OF THE AMENDMENT AND GENERAL EXPLANATION

It is proposed that the amendment be structured into the following blocks:

- a) Amendments related to Title II of the Board of Directors Regulations (Powers of the Board)
- b) Amendments related to Title IV of the Board of Directors Regulations (Structure of the Board)
- c) Amendments related to Title V of the Board of Directors Regulations (Functioning of the Board)
- d) Amendments related to Title VI of the Board of Directors Regulations (Appointment and

removal of directors)

4. SPECIFIC EXPLANATION OF THE AMENDMENT

The explanation of the proposed amendment of the Board of Directors Regulations included in this report is made on the basis of the aforesaid grouping of amendments, following that order, in order to facilitate the explanation:

4.1 Amendments related to Title II of the Board of Directors Regulations (Powers of the Board)

The following amendment is proposed to adapt the text to the amendments introduced by the recommendations of the Good Governance Code:

- a) **Article 5 (Authority of Board)**, for purposes of granting the Board the power to approve a director's appointment policy as set forth in Recommendation number 14 of the Good Governance Code

4.2 Amendments related to Title IV of the Board of Directors Regulations (Structure of the Board)

It is proposed to amend the following articles for purposes of (i) adapting the text to the amendments introduced by the Audit Act, (ii) technically improving the texts of certain sections and (iii) adapting the text to the recommendations of the Good Governance Code:

- a) **Article 9 (The President)**, for purposes of including the faculties described in Recommendation number 33 of the Good Governance Code regarding the authority of the President.
- b) **Article 13 (Board and advisory committees)**, for purposes of including the duties described in Recommendation 34 of the Good Governance Code regarding the coordinating director, if applicable.
- c) **Article 14 (Audit and Control Committee. Composition, authority and functioning)** for purposes of (i) adapting its authority as set forth in different sections to the Audit Act amending the LSC, (ii) adapting the content to the recommendations in the Good Governance Code related to composition, qualification and functions of the Committee and its members, and in particular Recommendations 44, 42, 8 and 53, and (iii) introduce improvements in certain sections.
- d) **Article 15 (Appointments and Remuneration Committee. Composition, authority and functioning)** for purposes of (i) adapting the authority set forth in its section 5 to the recommendations of the Good Governance Code regarding the functions of the Committee and its members, and in particular Recommendations 14 and 50, as well as (ii) include obligations set forth in the proposed amendment to the General Shareholders' Meeting Regulation.

4.3 Amendments related to Title V of the Board of Directors Regulations (Functioning of the Board)

The following amendment is proposed to adapt the text to the amendments introduced by the recommendations of the Good Governance Code:

- a) **Article 16 (Board meetings)**, for purposes of increasing the minimum number of meetings to be held by the Board of Directors, as indicated in Recommendation number 26 of the Good Governance Code.



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- b) **Article 18 (Annual evaluation)** for purposes of adapting its text to the regulation contained in the Recommendation number 25 of the Code of Good Governance, with regards to the preparation of an action plan to amend any identified failures.

4.4 Amendments related to Title VI of the Board of Directors Regulations (Appointment and removal of directors)

The following amendment is proposed to adapt the text to the amendments introduced by the recommendations of the Good Governance Code:

- a) **Article 19 (Appointment of the directors)**, for purposes of establishing a maximum number of four board of directors of other listed companies (other than the Company) in which the Company's directors may take place, according to Recommendation number 25 of the Good Governance Code.
- b) **Article 23 (Removal of the directors)**, in line with the above amendment, for purposes of removing a director who overcomes the maximum number of board of directors (other than the Company) in which he/she takes part, according to Recommendation number 25 of the Good Governance Code.



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Artículo 5.- Competencias del Consejo

1. El Consejo de Administración es competente para adoptar los acuerdos sobre toda clase de asuntos que no estén atribuidos por los Estatutos Sociales o la Ley a la Junta General de accionistas.
2. El Consejo de Administración, al que corresponden los más amplios poderes y facultades para gestionar, dirigir, administrar y representar a la Sociedad, como norma general, delegará la gestión ordinaria de la Sociedad en los órganos delegados de administración y en el equipo de dirección y concentrará su actividad en la función general de supervisión y en la consideración de aquellos asuntos de particular trascendencia para la Sociedad.
3. No podrán ser objeto de delegación aquellas facultades legal o estatutariamente reservadas al conocimiento directo del Consejo de Administración ni aquellas otras necesarias para un responsable ejercicio de la función general de supervisión.
4. Sin perjuicio, en su caso, de la facultad legal de delegación y apoderamiento para la ejecución de los acuerdos concretos adoptados, el Consejo de Administración ejercerá directamente, por propia iniciativa o a propuesta del órgano interno correspondiente, las siguientes competencias y facultades:
 - a. La formulación de las cuentas anuales, el informe de gestión y la propuesta de aplicación del resultado de la Sociedad, así como las cuentas y el informe de gestión consolidados para su presentación a la Junta General de accionistas.
 - b. La convocatoria de la Junta General de accionistas, así como la publicación de los anuncios relativos a la misma.
 - c. La autorización o dispensa de las obligaciones derivadas del deber de lealtad, de conformidad con lo dispuesto en la legislación aplicables.
 - d. La ejecución de la política de autocartera de la Sociedad en el marco de la autorización de la Junta General de accionistas.
 - e. La formulación de la política de dividendos y efectuar las correspondientes propuestas de acuerdo a la Junta General de accionistas sobre la aplicación del resultado, así como acordar el pago de cantidades a cuenta de dividendos.
 - f. El nombramiento de consejeros por cooptación y la elevación de propuestas a la Junta General de accionistas relativas al nombramiento, ratificación,

reelección de consejeros que no tengan el carácter de independientes, previo informe de la Comisión de Nombramientos y Retribuciones, o cese de consejeros.

- g. La aprobación de la retribución de cada consejero, previa propuesta de la comisión de nombramientos y retribuciones, de conformidad con la política de remuneraciones aprobada por la junta general de accionistas.
- h. El nombramiento y destitución de los consejeros delegados, así como la aprobación previa de los contratos que se vaya a celebrar entre la sociedad y los consejeros a los que se atribuyan funciones ejecutivas, donde se incluyan los conceptos por los que pueda obtener una retribución por el desempeño de dichas funciones.
- i. La designación y renovación de los cargos internos del Consejo de Administración y de los miembros y cargos internos de sus comisiones.
- j. A propuesta del primer ejecutivo de la Sociedad, el nombramiento y eventual cese de los altos directivos, así como la aprobación de sus cláusulas de indemnización.
- k. La aprobación de la política de retribuciones así como las condiciones básicas de los contratos de los altos directivos de la Sociedad, partiendo de la propuesta que formule el Consejero Delegado o, en caso de no existir, la Comisión Ejecutiva, que será elevada al Consejo de Administración por la Comisión de Nombramientos y Retribuciones.
- l. La aprobación de la información financiera que, por su condición de cotizada, la Sociedad deba hacer pública periódicamente.
- m. La aprobación de las inversiones, desinversiones u operaciones de todo tipo que, por su elevada cuantía o especiales características, tengan carácter estratégico, salvo que su aprobación corresponda a la Junta General de accionistas.
- n. La creación o adquisición de participaciones en entidades de propósito especial o domiciliadas en países o territorios que tengan la consideración de paraísos fiscales, así como cualesquiera otras transacciones u operaciones de naturaleza análoga que, por su complejidad, pudieran menoscabar la transparencia del grupo.

- o. La aprobación, previo informe de la Comisión de Auditoría y Control, de las operaciones vinculadas conforme las mismas sean definidas por la legislación que resulte aplicable al respecto en cada momento.
 - p. El pronunciamiento sobre toda oferta pública de adquisición que se formule sobre valores emitidos por la Sociedad.
 - q. La aprobación y modificación del presente Reglamento, previo informe de la Comisión de Auditoría y Control.
 - r. Elaborar el Informe Anual de Gobierno Corporativo de la Sociedad y el informe de sostenibilidad o memoria anual, así como el informe anual sobre la política de retribuciones de los consejeros.
 - s. La evaluación una vez al año la calidad y eficiencia del funcionamiento del consejo de administración, el desempeño de sus funciones por el presidente del consejo y por el primer ejecutivo de la compañía, así como la calidad y eficiencia del funcionamiento de las comisiones, partiendo del informe que estas elaboren.
 - t. Cualquier otro asunto que el Reglamento del Consejo de Administración reserve al conocimiento del órgano en pleno.
5. El Consejo de Administración, como núcleo de su misión, aprueba la estrategia de la Sociedad y la organización precisa para su puesta en práctica, así como supervisa y controla que la alta dirección cumpla con los objetivos marcados y respete el objeto e interés social de la Sociedad. A tal fin, el Consejo de Administración en pleno se reserva la competencia de aprobar las políticas y estrategias generales de la Sociedad y, en particular, (i) el plan estratégico o de negocio, así como los objetivos de gestión y presupuesto anuales; (ii) la política de inversiones y financiación; (iii) la definición de la estructura del grupo de Sociedades; (iv) la política de gobierno corporativo; (v) la política de responsabilidad social corporativa; (vi) la política de control y gestión de riesgos, así como el seguimiento periódico de los sistemas internos de información y control; (vii) la política de dividendos, la de autocartera y, en especial, sus límites.
6. [El Consejo aprobará una política de selección de consejeros que será concreta y verificable y que asegure que las propuestas de nombramiento o reelección se fundamenten en un análisis previo de las necesidades del consejo de administración y que favorezca la diversidad de conocimientos, experiencias y género de conformidad con las mejores prácticas de gobierno corporativo.](#)

El resultado del análisis previo de las necesidades del Consejo de Administración se recogerá en un informe justificativo de la Comisión de Nombramientos y Retribuciones que se publicará al convocar la Junta General de accionistas a la que se someta la ratificación, el nombramiento o la reelección de cada consejero.

Artículo 9.- El Presidente

1. El Presidente del Consejo de Administración será elegido de entre sus miembros de conformidad con lo dispuesto en los Estatutos Sociales de la Sociedad.
2. El Presidente del Consejo de Administración, como responsable del eficaz funcionamiento del Consejo de Administración, además de ejercer las funciones que tiene legal y estatutariamente atribuidas, llevará a cabo las siguientes actuaciones:
 - a. preparar y someter al consejo de administración un programa de fechas y asuntos a tratar;
 - b. organizar y coordinar la evaluación periódica del Consejo, así como, en su caso, la del primer ejecutivo de la sociedad;
 - c. ser responsable de la dirección del consejo y de la efectividad de su funcionamiento;
 - d. asegurarse de que se dedica suficiente tiempo de discusión a las cuestiones estratégicas, y acuerde y revise los programas de actualización de conocimientos para cada consejero, cuando las circunstancias lo aconsejen.

Artículo 13.- Órganos delegados y consultivos

1. Sin perjuicio de los apoderamientos que pueda conferir a cualquier persona, el Consejo de Administración podrá constituir con carácter permanente una Comisión Ejecutiva, compuesta por un mínimo de tres y un máximo de siete miembros, y podrá, asimismo, designar un Consejero Delegado a propuesta del Presidente del Consejo, pudiendo delegar en ellos, total o parcialmente, con carácter temporal o permanente, todas las facultades que no sean indelegables conforme a la Ley. La delegación y la designación de los miembros del Consejo de Administración que hayan de ocupar tales cargos requerirán para su validez el voto favorable de dos tercios de los componentes del Consejo de Administración y no producirán efecto alguno hasta su inscripción en el Registro Mercantil.
2. La Sociedad procurará que, en la medida de lo posible, la estructura de participación de las diferentes categorías de consejeros en la composición de la Comisión Ejecutiva sea similar a la del Consejo de Administración. El cargo de

Secretario de la Comisión Ejecutiva será desempeñado por el Secretario del Consejo de Administración.

3. El Presidente de la Comisión Ejecutiva informará al Consejo de Administración de los asuntos tratados y de los acuerdos adoptados en sus sesiones, de las que se deberá levantar acta, remitiéndose copia a todos los miembros del Consejo de Administración.
4. En el caso de que el Presidente del Consejo de Administración ejerza funciones ejecutivas, el Consejo de Administración facultará a un consejero coordinador entre los consejeros independientes que estará especialmente facultado para:
 - a. Solicitar al Presidente del Consejo de Administración la convocatoria de este órgano cuando lo estime conveniente.
 - b. Solicitar la inclusión de asuntos en el orden del día de las reuniones del Consejo de Administración.
 - c. [Presidir el consejo de administración en ausencia del presidente y de los vicepresidentes, en caso de existir.](#)
 - d. ~~e~~-Coordinar y hacerse eco de las opiniones de los consejeros externos.
 - e. ~~d~~-Dirigir la evaluación del Presidente del Consejo de Administración.
 - f. [Mantener contactos con inversores y accionistas para conocer sus puntos de vista a efectos de formarse una opinión sobre sus preocupaciones, en particular, en relación con el gobierno corporativo de la sociedad.](#)
 - g. [Coordinar el plan de sucesión del Presidente.](#)
5. Asimismo, se constituirán una Comisión de Auditoría y Control y una Comisión de Nombramientos y Retribuciones con las facultades de información, supervisión, asesoramiento y propuesta en las materias de su competencia que se especifican en los artículos 14 y 15 del presente Reglamento.
6. Asimismo, el Consejo podrá constituir otras comisiones con funciones consultivas o asesoras, sin perjuicio de que excepcionalmente se les atribuya alguna facultad de decisión. El Presidente, el Secretario y los restantes miembros de tales comités y comisiones serán nombrados por el Consejo de Administración por mayoría simple.

Artículo 14.- Comisión de Auditoría y Control. Composición, competencias y funcionamiento

1. El Consejo de Administración constituirá con carácter permanente una Comisión de Auditoría y Control que se compondrá de un mínimo de tres y un máximo de cinco consejeros, designados por el propio Consejo de Administración de entre los consejeros externos o no ejecutivos. Los miembros de la Comisión de Auditoría y Control, y de forma especial su Presidente, se designarán teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o gestión de riesgos, y la mayoría de dichos miembros serán consejeros independientes. El Consejo de Administración designará, asimismo, a su Presidente de entre los consejeros que formen parte de dicha Comisión. El cargo de Secretario de la Comisión de Auditoría y Control será desempeñado por el Secretario del Consejo de Administración.

Los miembros de la Comisión de Auditoría y Control ejercerán su cargo durante un plazo máximo de tres años, pudiendo ser reelegidos una o más veces por periodos de igual duración máxima.

El cargo de Presidente se ejercerá igualmente por un período máximo de tres años, al término del cual no podrá ser reelegido como tal hasta pasado un año desde su cese, sin perjuicio de su continuidad o reelección como miembro de la Comisión.

2. Sin perjuicio de cualesquiera otros cometidos que puedan serle asignados en cada momento por el Consejo de Administración, la Comisión de Auditoría y Control ejercerá las siguientes funciones básicas:
 - a. Supervisar el cálculo de las comisiones percibidas por la ~~entidad que gestione las inversiones de la Sociedad en cada momento~~ (la “Sociedad Gestora”) en el desempeño de sus funciones.
 - b. Informar ~~ena~~ la Junta General de accionistas sobre ~~las~~ cuestiones que en ella planteen los accionistas en materia de su competencia y, en particular, sobre el resultado de la auditoría explicando cómo esta ha contribuido a la integridad de la información financiera y la función que la comisión ha desempeñado en ese proceso.
 - c. Supervisar la eficacia del control interno de la Sociedad y de su ~~grupe~~ Grupo, así como de sus sistemas de gestión de riesgos.
 - d. Analizar, junto con los auditores de cuentas, las debilidades significativas del sistema de control interno detectadas en el desarrollo de la auditoría, todo ello sin quebrantar su independencia.

- e. Supervisar el proceso de elaboración y presentación de la información financiera ~~regulada~~ preceptiva y presentar recomendaciones o propuestas al órgano de administración, dirigidas a salvaguardar su integridad.
- f. Proponer al Consejo de Administración, para su sometimiento a la Junta General de accionistas, el nombramiento, reelección o sustitución de los auditores de cuentas, responsabilizándose del proceso de selección, de acuerdo con la normativa aplicable, ~~así como las condiciones de su contratación y recabar regularmente de él información sobre el plan de auditoría y su ejecución, además de preservar su independencia en el ejercicio de sus funciones.~~
- g. Supervisar la actividad de la auditoría interna de la Sociedad.
- h. Establecer las oportunas relaciones con los auditores de cuentas para recibir información sobre aquellas cuestiones que puedan ~~poner en riesgo~~ suponer una amenaza para su independencia, para su examen por la Comisión de Auditoría y Control, y cualesquiera otras relacionadas con el proceso de desarrollo de la auditoría de cuentas, y, cuando proceda, la autorización de los servicios distintos de los prohibidos, en los términos previstos en la normativa aplicable, así como aquellas otras comunicaciones previstas en la legislación de auditoría de cuentas y en las restantes normas de auditoría. En todo caso, deberá recibir anualmente de los auditores de cuentas la confirmación escrita de su independencia frente a la Sociedad o entidades vinculadas a esta directa o indirectamente, así como la información detallada e individualizada de los servicios adicionales de cualquier clase prestados ay los correspondientes honorarios percibidos de estas entidades por ~~los citados auditores de cuentas,~~ el auditor externo o por las personas o entidades vinculadas a ~~estos~~ este, de acuerdo con lo dispuesto en la legislación sobre auditoría de cuentas.
- i. Emitir anualmente, con carácter previo al informe de auditoría de cuentas, un informe en el que se expresará una opinión sobre si la independencia de los auditores de cuentas o sociedades de auditoría resulta comprometida. Este informe deberá pronunciarse, en todo caso, sobre la prestación de los servicios adicionales a que hace referencia el ~~apartado anterior, individualmente considerados y en su conjunto, distintos de la auditoría legal y en relación con el régimen de independencia o con la normativa reguladora de auditoría~~ párrafo anterior.
- j. Nombrar y supervisar los servicios de los tasadores externos en relación con la valoración de los activos de la Sociedad.

- k. Informar, con carácter previo, al Consejo de Administración sobre todas las materias previstas en la ~~ley~~Ley, en los ~~estatutos sociales~~Estatutos Sociales y en el ~~reglamento~~Reglamento del Consejo de Administración y, en particular, sobre: (i) la información financiera que la ~~sociedad~~Sociedad deba hacer pública periódicamente; (ii) la creación o adquisición de participaciones en entidades de propósito especial o domiciliadas en países o territorios que tengan la consideración de paraísos fiscales ~~y~~; (iii) las operaciones con partes vinculadas; y (iv) las condiciones económicas e impacto contable y, en su caso, sobre la ecuación de canje de las operaciones de modificaciones estructurales y corporativas que proyecte realizar la Sociedad.

3. Asimismo corresponderá a la Comisión de Auditoría y Control:

a. En relación con los sistemas de información y control interno:

- i. Supervisar el proceso de elaboración y la integridad de la información financiera relativa a la Sociedad y, en su caso, al grupo, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.
- ii. Revisar periódicamente los sistemas de control interno y gestión de riesgos, para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente.
- iii. Velar por la independencia y eficacia de la función de auditoría interna; proponer la selección, nombramiento, reelección y cese del responsable del departamento de auditoría interna; proponer el presupuesto del departamento; aprobar la orientación y sus planes de trabajo, asegurándose de que su actividad esté enfocada principalmente hacia los riesgos relevantes de la sociedad; recibir información periódica de sus actividades; y verificar que la alta dirección tiene en cuenta las conclusiones y recomendaciones de sus informes.
- iv. Establecer y supervisar un mecanismo que permita a los empleados comunicar, de forma confidencial y, si se considera apropiado, anónima las irregularidades de potencial trascendencia, especialmente financieras y contables, que adviertan en el seno de la Sociedad.

b. En relación con el auditor externo:

- i. Elevar al Consejo las propuestas de selección, nombramiento reelección y sustitución del auditor externo, así como las condiciones de su contratación.
- ii. Recibir regularmente del auditor externo información sobre el plan de auditoría y los resultados de su ejecución, y verificar que la alta dirección tiene en cuenta sus recomendaciones.
- iii. Asegurar la independencia del auditor externo y, a tal efecto: (i) que la Sociedad comunique como hecho relevante a la Comisión Nacional del Mercado de Valores el cambio de auditor y lo acompañe de una declaración sobre la eventual existencia de desacuerdos con el auditor saliente y, si hubieran existido, de su contenido; (ii) que se asegure que la Sociedad y el auditor respetan las normas vigentes sobre prestación de servicios distintos a los de auditoría y, en general, las demás normas establecidas para asegurar la independencia de los auditores; y (iii) que en caso de renuncia del auditor externo examine las circunstancias que la hubieran motivado.
- iv. En el caso de grupos, favorecer que el auditor del grupo asuma la responsabilidad de las auditorías de las empresas que lo integren.
- v. Velar que la retribución del auditor externo por su trabajo no comprometa su calidad ni su independencia.
- vi. Asegurar que el auditor externo mantenga anualmente una reunión con el pleno del consejo de administración para informarle sobre el trabajo realizado y sobre la evolución de la situación contable y de riesgos de la sociedad.

La Comisión velará porque el Consejo de Administración procure presentar las cuentas a la Junta General de accionistas sin limitaciones ni salvedades en el informe de auditoría y que, en los supuestos excepcionales en que existan salvedades, tanto el presidente de la comisión de auditoría como los auditores explicarán con claridad a los accionistas el contenido y alcance de dichas limitaciones o salvedades.

- c. En relación con la política y la gestión de riesgos:

- i. Identificar los distintos tipos de riesgo (operativos, tecnológicos, financieros, legales, reputacionales) a los que se enfrenta la Sociedad, incluyendo, entre los financieros o económicos, los pasivos contingentes y otros riesgos fuera de balance.
 - ii. Identificar la fijación de los niveles de riesgo que la Sociedad considere aceptables.
 - iii. Identificar las medidas previstas para mitigar el impacto de los riesgos identificados, en caso de que llegaran a materializarse.
 - iv. Identificar los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos, incluidos los pasivos contingentes o riesgos fuera de balance.
- d. En relación con las obligaciones propias de las Sociedades cotizadas:
- Informar al Consejo de Administración, con carácter previo a que este adopte las correspondientes decisiones sobre:
- i. La información financiera que, por su condición de cotizada, la Sociedad deba hacer pública periódicamente. La Comisión de Auditoría y Control deberá asegurarse de que los informes financieros semestrales y las declaraciones intermedias de gestión se formulan con los mismos criterios contables que las cuentas anuales y, a tal fin, considerar la procedencia de una revisión limitada de los informes financieros semestrales por el auditor externo.
 - ii. La creación o adquisición de participaciones en entidades de propósito especial o domiciliadas en países o territorios que tengan la consideración de paraísos fiscales, así como cualesquiera otras transacciones u operaciones de naturaleza análoga que, por su complejidad, pudieran menoscabar la transparencia del grupo.
 - iii. Las operaciones vinculadas conforme las mismas sean definidas por la legislación que resulte aplicable al respecto en cada momento.
 - iv. La modificación del reglamento interno de conducta.
- e. En relación con las obligaciones de gobierno corporativo de la Sociedad:
- i. Revisar periódicamente la normativa interna de gobierno corporativo de la Sociedad y proponer al Consejo de Administración, para su aprobación o elevación a la Junta General de accionistas, según

corresponda, las modificaciones y actualizaciones que contribuyan a su desarrollo y mejora continua.

- ii. Impulsar la estrategia de gobierno corporativo de la Sociedad.
- iii. Supervisar la estrategia de comunicación y relación con accionistas e inversores, incluyendo los pequeños y medianos accionistas.
- iv. ~~iii.~~ Supervisar el cumplimiento de los requerimientos legales y de la normativa interna de gobierno corporativo de la Sociedad.
- v. ~~iv.~~ Conocer, impulsar, orientar y supervisar la actuación de la Sociedad en materia de responsabilidad social corporativa y sostenibilidad e informar sobre la misma al Consejo de Administración o, en su caso, a la Comisión Ejecutiva, velando por que esté orientada a la creación de valor.
- vi. Seguimiento y evaluación de la política de responsabilidad social corporativa de la Sociedad y la evaluación de su grado de cumplimiento.
- vii. ~~v.~~ Conocer, impulsar, orientar y supervisar la actuación de la Sociedad en materia de reputación corporativa e informar sobre la misma al Consejo de Administración o, en su caso, a la Comisión Ejecutiva.
- viii. ~~vi.~~ Informar sobre las materias del Título IX, en los términos previstos en él.
- ix. ~~vii.~~ Informar, con carácter previo a su aprobación, el informe anual de gobierno corporativo de la Sociedad, recabando para ello los informes de la Comisión de Nombramientos y Retribuciones en relación con los apartados de dicho informe que sean propios de sus competencias.

4. La Comisión de Auditoría y Control se reunirá, de ordinario, trimestralmente, a fin de revisar la información financiera periódica que haya de remitirse a las autoridades bursátiles, así como la información que el Consejo de Administración ha de aprobar e incluir dentro de su documentación pública anual. Asimismo, se reunirá a petición de cualquiera de sus miembros y cada vez que la convoque su Presidente, que deberá hacerlo siempre que el Consejo o su Presidente solicite la emisión de un informe o la adopción de propuestas y, en cualquier caso, siempre que resulte conveniente para el buen desarrollo de sus funciones.

5. La Comisión de Auditoría y Control quedará válidamente constituida cuando concurren, presentes o representados, la mayoría de sus miembros y sus acuerdos se adoptarán por mayoría de votos. En caso de empate, el Presidente de la Comisión de Auditoría y Control tendrá voto de calidad.
6. La Comisión deberá levantar acta de sus reuniones, de la que se remitirá copia a todos los miembros del Consejo de Administración.
7. La Comisión de Auditoría y Control elaborará un informe anual sobre su funcionamiento, destacando las principales incidencias surgidas, si las hubiese, en relación con las funciones que le son propias. Además, cuando la Comisión de Auditoría y Control lo considere oportuno, incluirá en dicho informe propuestas para mejorar las reglas de gobierno de la Sociedad. El informe de la Comisión de Auditoría y Control ~~se adjuntará al informe anual sobre el gobierno corporativo de la Sociedad~~ y estará a disposición de accionistas e inversores a través de la página web.
8. La Comisión de Auditoría y Control podrá convocar a cualquiera de los miembros del equipo directivo o del personal de la Sociedad. Los convocados estarán obligados a asistir a las sesiones de la Comisión de Auditoría y Control y a prestarle su colaboración y acceso a la información de que dispongan. La Comisión podrá igualmente requerir la asistencia a sus sesiones de los auditores de cuentas.
9. Para el mejor cumplimiento de sus funciones, la Comisión de Auditoría y Control podrá recabar el asesoramiento de expertos externos cuando lo juzgue necesario para el adecuado cumplimiento de sus funciones.
10. La Sociedad dispondrá de un departamento de auditoría interna que, bajo la supervisión de la Comisión de Auditoría y Control, vele por el buen funcionamiento de los sistemas de información y control internos. El responsable del departamento de auditoría interna deberá presentar a la Comisión de Auditoría y Control su plan anual de trabajo. Asimismo, deberá informar a la Comisión de las incidencias que se presenten durante el desarrollo de la función de auditoría interna y deberá someter a la comisión, al final de cada ejercicio, un informe de actividades.

Artículo 15.- Comisión de Nombramientos y Retribuciones. Composición, competencias y funcionamiento

1. El Consejo de Administración constituirá con carácter permanente una Comisión de Nombramientos y Retribuciones, órgano interno de carácter informativo y consultivo,

sin funciones ejecutivas, con facultades de información, asesoramiento y propuesta dentro de su ámbito de actuación señalado en el apartado 2 de este artículo. La Comisión de Nombramientos y Retribuciones se compondrá de un mínimo de tres y un máximo de cinco consejeros, designados por el propio Consejo de Administración, de entre los consejeros externos, a propuesta del Presidente del Consejo. La mayoría de los miembros de la Comisión de Nombramientos y Retribuciones serán consejeros independientes. El Consejo de Administración designará, asimismo, a su Presidente de entre los consejeros que formen parte de dicha Comisión. El cargo de Secretario de la Comisión de Nombramientos y Retribuciones será desempeñado por el Secretario del Consejo de Administración.

2. Los miembros de la Comisión de Nombramientos y Retribuciones tendrán conocimientos, aptitudes y experiencia adecuados a las funciones que estén llamados a desempeñar.
3. Los consejeros que formen parte de la Comisión de Nombramientos y Retribuciones ejercerán su cargo mientras permanezca vigente su nombramiento como consejeros de la Sociedad, salvo que el Consejo de Administración acuerde otra cosa. La renovación, reelección y cese de los consejeros que integren la Comisión se regirá por lo acordado por el Consejo de Administración.
4. Sin perjuicio de otras funciones que pudiera asignarle el Consejo de Administración, la Comisión de Nombramientos y Retribuciones tendrá las siguientes responsabilidades básicas:
 - a. Evaluar las competencias, conocimientos y experiencia necesarios en el Consejo de Administración. A estos efectos, definirá las funciones y aptitudes necesarias en los candidatos que deban cubrir cada vacante y evaluará el tiempo y dedicación precisos para que puedan desempeñar eficazmente su cometido.
 - b. Establecer un objetivo de representación para el sexo menos representado en el Consejo de Administración y elaborar orientaciones sobre cómo alcanzar dicho objetivo.
 - c. Elevar al Consejo de Administración las propuestas de nombramiento de consejeros independientes para su designación por cooptación o para su sometimiento a la decisión de la Junta General de Accionistas, así como las propuestas para la reelección o separación de dichos consejeros por la Junta General de Accionistas.
 - d. Informar las propuestas de nombramiento de los restantes consejeros para su designación por cooptación o para su sometimiento a la decisión de la

Junta General de Accionistas, así como las propuestas para su reelección o separación por la Junta General de Accionistas.

- e. Informar las propuestas de nombramiento y separación de altos directivos y las condiciones básicas de sus contratos.
 - f. Examinar y organizar la sucesión del presidente del Consejo de Administración y del primer ejecutivo de la sociedad y, en su caso, formular propuestas al Consejo de Administración para que dicha sucesión se produzca de forma ordenada y planificada.
 - g. Proponer al Consejo de Administración la política de retribuciones de los consejeros y de los directores generales o de quienes desarrollen sus funciones de alta dirección bajo la dependencia directa del Consejo, de comisiones ejecutivas o de consejeros delegados, así como la retribución individual y las demás condiciones contractuales de los consejeros ejecutivos, velando por su observancia.
5. Asimismo corresponderá a la Comisión de Nombramientos y Retribuciones:
- a. Competencias relativas a la composición del Consejo de Administración y de sus comisiones y al proceso de designación de cargos internos del Consejo de Administración y altos directivos
 - i. Asesorar al Consejo de Administración sobre la configuración más conveniente del propio Consejo de Administración y de sus comisiones en cuanto a tamaño y equilibrio entre las distintas clases de consejeros existentes en cada momento. A tal efecto, la Comisión revisará periódicamente la estructura del Consejo de Administración y de sus comisiones, en especial cuando se produzcan vacantes en el seno de tales órganos.
 - ii. Informar y revisar los criterios que deben seguirse para la composición del Consejo de Administración y la selección de candidatos, velando por que, al proveerse nuevas vacantes o al nombrar a nuevos consejeros, los procedimientos de selección no adolezcan de sesgos implícitos que puedan implicar discriminación alguna y, en particular, que puedan obstaculizar la selección de consejeras, estableciendo asimismo un objetivo de representación de estas en el Consejo y elaborando orientaciones sobre cómo alcanzarlo.

- iii. Informar o formular las propuestas relativas al nombramiento o separación de los miembros que deban formar parte de cada una de las comisiones.
 - iv. Informar las propuestas relativas al nombramiento o separación del presidente del Consejo de Administración
 - v. Informar las propuestas del presidente del Consejo de Administración relativas al nombramiento o separación del consejero delegado.
 - vi. Examinar u organizar la sucesión del presidente del Consejo de Administración y del consejero delegado de la Sociedad y, en su caso, formular propuestas al Consejo de Administración para que dicha sucesión se produzca de forma ordenada y planificada.
 - vii. Informar las propuestas del presidente del Consejo de Administración relativas al nombramiento o separación del vicepresidente o vicepresidentes del Consejo de Administración.
 - viii. Elevar al Consejo de Administración la propuesta de nombramiento de un consejero independiente especialmente facultado en el caso de que el presidente del Consejo de Administración ejerza funciones ejecutivas, e informar las propuestas de su separación.
 - ix. Informar las propuestas del presidente del Consejo de Administración relativas al nombramiento o separación del secretario y, en su caso, del vicesecretario o vicesecretarios del Consejo de Administración, del secretario general y del letrado asesor.
 - x. Informar las propuestas del presidente del Consejo de Administración o del consejero delegado relativas al nombramiento o separación de los altos directivos.
- b. Competencias relativas a la selección de candidatos a consejeros
- i. Seleccionar los posibles candidatos para ser, en su caso, nombrados consejeros de la Sociedad y presentar sus propuestas o informes, según corresponda, al Consejo de Administración a través de su presidente.
 - ii. Elevar al Consejo de Administración las propuestas de nombramiento (para su designación por cooptación o para su sometimiento a la

decisión de la Junta General de Accionistas) de los consejeros independientes.

- iii. Comprobar el cumplimiento de los requisitos específicamente exigibles a los consejeros independientes en la ley y en la normativa interna de la Sociedad y recabar información adecuada sobre sus cualidades personales, experiencia y conocimientos y sobre su efectiva disponibilidad.
- iv. Informar, a instancia del presidente del Consejo de Administración, las propuestas de nombramiento (para su designación por cooptación o para su sometimiento a la decisión de la Junta General de Accionistas) de los restantes consejeros.
- v. [Elaborar el informe referido en el artículo 5.6 de este Reglamento y verificar anualmente el cumplimiento de la política de selección de consejeros, informando de ello en el informe anual de gobierno corporativo.](#)

c. Competencias relativas a la evaluación y reelección de consejeros

- i. Establecer y supervisar un programa anual de evaluación y revisión continua de la cualificación, formación y, en su caso, independencia, así como del mantenimiento de las condiciones necesarias para el ejercicio del cargo de consejero y de miembro de una determinada comisión, y proponer al Consejo de Administración las medidas que considere oportunas al respecto.
- ii. Participar en el proceso anual de evaluación del desempeño del presidente del Consejo de Administración y del Consejero Delegado.
- iii. Elevar al Consejo de Administración su propuesta (en el caso de los consejeros independientes) o informe (en el caso de los restantes consejeros), sobre la reelección de los consejeros.

d. Competencias relativas a la separación y cese de consejeros

- i. Informar al Consejo de Administración sobre las propuestas de separación por incumplimiento de los deberes inherentes al cargo de consejero o por haber incurrido de forma sobrevenida en alguna de las circunstancias de dimisión o cese obligatorio.

- ii. Proponer la separación de los consejeros en caso de incompatibilidad, prohibiciones o cualquier otra causa de dimisión o cese sobrevenidas, conforme a la ley o a la normativa interna de la Sociedad.
- e. Competencias relativas a remuneraciones
- i. Revisar periódicamente la política de retribuciones de los altos directivos y proponer su modificación y actualización al Consejo de Administración.
 - ii. Revisar periódicamente la política de retribuciones de los consejeros y proponer su modificación y actualización al Consejo de Administración para su elevación a la Junta General de Accionistas, así como la cuantía de las retribuciones anuales de estos.
 - iii. Proponer la retribución individual de los consejeros ejecutivos y las demás condiciones básicas de sus contratos para su aprobación por el Consejo de Administración, incluyendo la eventual indemnización que pudiera fijarse para el supuesto de cese anticipado en sus funciones y las cantidades a abonar por la sociedad en concepto de primas de seguro o de contribuciones a sistemas de ahorro, de conformidad en todo caso con lo previsto en la normativa interna de la Sociedad y, en particular, de acuerdo con la política de remuneraciones aprobada por la Junta General de Accionistas.
 - iv. Informar, con carácter preceptivo y previo a su aprobación por el órgano social competente, las remuneraciones que se establezcan para los consejeros independientes de otras sociedades del Grupo.
 - v. Informar y elevar al Consejo de Administración las propuestas del presidente del Consejo de Administración o el Consejero Delegado relativas a la estructura de retribuciones de los altos directivos y a las condiciones básicas de sus contratos, incluyendo las eventuales compensaciones o indemnizaciones que pudieran fijarse para el supuesto de separación.
 - vi. Velar por la observancia de los programas de retribución de la Sociedad e informar los documentos a aprobar por el Consejo de Administración para su divulgación general en lo referente a la información sobre retribuciones, incluyendo el Informe anual sobre remuneraciones de los consejeros y los apartados correspondientes del Informe anual de gobierno corporativo de la Sociedad.

vii. Velar por que los eventuales conflictos de intereses no perjudiquen la independencia del asesoramiento externo prestado a la Comisión.

6. La Comisión de Nombramientos y Retribuciones se reunirá, de ordinario, al menos una vez al año. Asimismo, se reunirá a petición de cualquiera de sus miembros y cada vez que la convoque su Presidente, que deberá hacerlo siempre que el Consejo o su Presidente solicite la emisión de un informe o la adopción de propuestas y, en cualquier caso, siempre que resulte conveniente para el buen desarrollo de sus funciones.
7. La Comisión de Nombramientos y Retribuciones quedará válidamente constituida cuando concurran, presentes o representados, la mayoría de sus miembros y sus acuerdos se adoptarán por mayoría de votos. En caso de empate, el Presidente de la Comisión de Nombramientos y Retribuciones tendrá voto de calidad.
8. La Comisión deberá levantar acta de sus reuniones, de la que se remitirá copia a todos los miembros del Consejo de Administración.
9. La Comisión deberá consultar al Presidente y al primer ejecutivo de la Sociedad, especialmente cuando se trate de materias relativas a los consejeros ejecutivos y altos directivos.
10. La Comisión de Nombramientos y Retribuciones elaborará un informe anual sobre su funcionamiento, destacando las principales incidencias surgidas, si las hubiese, en relación con las funciones que le son propias. El informe de la Comisión de Nombramientos y Retribuciones estará a disposición de accionistas e inversores a través de la página web con antelación suficiente a la celebración de la junta general ordinaria.
11. ~~10.~~ Para el mejor cumplimiento de sus funciones, la Comisión de Nombramientos y Retribuciones podrá recabar el asesoramiento de expertos externos cuando lo juzgue necesario para el adecuado cumplimiento de sus funciones.

Artículo 16.- Reuniones del Consejo de Administración

1. El Consejo de Administración se reunirá con la frecuencia que resulte conveniente para el buen desarrollo de sus funciones y, al menos, ~~cuatro~~ **[ocho]** veces al año y en los supuestos que determine el programa de fechas y asuntos que se establezca al inicio del ejercicio, pudiendo cada consejero proponer otros puntos del orden del día inicialmente no previstos cuando dicha petición se hubiese formulado con una antelación no inferior a tres días de la fecha prevista para la celebración de la sesión.

2. Asimismo, el Consejo de Administración se reunirá, a iniciativa del Presidente, cuantas veces este lo estime oportuno para el buen funcionamiento de la Sociedad y también cuando se solicite en los términos previstos en el artículo 9.2 precedente.
3. La convocatoria de las sesiones del Consejo de Administración se realizará por el Secretario del Consejo de Administración o quien haga sus veces, con la autorización de su Presidente, por cualquier medio que permita su recepción. La convocatoria se cursará con una antelación mínima de tres días. La convocatoria incluirá siempre el orden del día de la sesión y se acompañará de la información relevante debidamente preparada y resumida.
4. El Presidente del Consejo de Administración podrá convocar sesiones extraordinarias del Consejo cuando, a su juicio, las circunstancias así lo justifiquen, sin que sean de aplicación en tales supuestos el plazo de antelación y los demás requisitos que se indican en el apartado anterior. No obstante lo anterior, se procurará que la documentación que, en su caso, deba proporcionarse a los consejeros se entregue con antelación suficiente.
5. Sin perjuicio de lo anterior, el Consejo de Administración se entenderá válidamente constituido sin necesidad de convocatoria si, presentes o representados todos sus miembros, aceptasen por unanimidad la celebración de sesión y los puntos a tratar en el orden del día. Asimismo, si ningún consejero se opone a ello, podrán celebrarse votaciones del Consejo de Administración por escrito y sin sesión.
6. El Consejo de Administración podrá celebrarse en varios lugares conectados por sistemas que permitan el reconocimiento e identificación de los asistentes, la permanente comunicación entre los concurrentes independientemente del lugar en que se encuentren, así como la intervención y emisión del voto, todo ello en tiempo real.

Los asistentes a cualquiera de los lugares se considerarán, a todos los efectos relativos al Consejo de Administración, como asistentes a la misma y única reunión. La sesión se entenderá celebrada en donde se encuentre el mayor número de consejeros y, en caso de empate, donde se encuentre el Presidente del Consejo de Administración o quien, en su ausencia, la presida.
7. Corresponde al Presidente el derecho de invitar a un representante de la Sociedad Gestora para que participe en las reuniones celebradas por el Consejo de Administración.
8. El Consejo elaborará un calendario anual de sus sesiones ordinarias.

Artículo 18.- Evaluación anual

1. ~~Anualmente, el Consejo de Administración evaluará (i) su funcionamiento y la calidad de sus trabajos, (ii) el desempeño de sus funciones por el Presidente del Consejo de Administración y, en caso de existir, por el Consejero Delegado, partiendo del informe que le eleve la Comisión de Nombramientos y Retribuciones, así como (iii) el funcionamiento de sus comisiones, partiendo del informe que estas le eleven. A tal efecto, el Presidente del Consejo de Administración organizará y coordinará con los Presidentes de las Comisiones el referido proceso de evaluación.~~ El consejo de administración en pleno evaluará una vez al año y adoptará, en su caso, un plan de acción que corrija las deficiencias detectadas respecto de:

- a. La calidad y eficiencia del funcionamiento del Consejo de Administración.
- b. El funcionamiento y la composición de sus Comisiones.
- c. La diversidad en la composición y competencias del Consejo de Administración.
- d. El desempeño del Presidente del Consejo de Administración y del primer ejecutivo de la sociedad, en su caso.
- e. El desempeño y la aportación de cada consejero, prestando especial atención a los responsables de las distintas Comisiones del Consejo.

El resultado de la evaluación anual se hará constar en el acta de la sesión o se incorporará a esta como anejo.

2. Para la realización de la evaluación de las distintas Comisiones se partirá del informe que estas eleven al Consejo de Administración, y para la de este último, del que le eleve la Comisión de Nombramientos y Retribuciones.
3. Cada tres años, el Consejo de Administración será auxiliado para la realización de la evaluación por un consultor externo, cuya independencia será verificada por la Comisión de Nombramientos y Retribuciones.
4. Las relaciones de negocio que el consultor o cualquier sociedad de su grupo mantengan con la Sociedad o cualquier sociedad de su grupo deberán ser desglosadas en el informe anual de gobierno corporativo.
5. El proceso y las áreas evaluadas serán objeto de descripción en el informe anual de gobierno corporativo.

6. ~~2-~~ En el caso de que el Presidente del Consejo de Administración ejerza funciones ejecutivas, su evaluación será dirigida por el consejero independiente especialmente facultado conforme a lo dispuesto en el artículo 13.4 precedente.
3. ~~Sobre la base de los resultados obtenidos en la evaluación anual, el consejo de administración propondrá un plan de acción para corregir las deficiencias detectadas.~~

Artículo 19.- Nombramiento de consejeros

1. Los consejeros serán designados por la Junta General o por el Consejo de Administración de conformidad con las previsiones contenidas en la normativa aplicable, los Estatutos Sociales y este Reglamento.
2. En el momento de nombramiento de un nuevo consejero, el mismo deberá seguir un programa de orientación para nuevos consejeros establecido por la Sociedad, con el fin de que pueda adquirir un conocimiento rápido y suficiente de la Sociedad, así como de sus reglas de gobierno corporativo.
3. Los miembros del Consejo de Administración estarán sujetos, en la medida que les sea aplicable, a la Ley 53/1984, de 26 de diciembre, de Incompatibilidades del Personal al Servicio de las Administraciones Públicas, a la Ley 5/2006, de 10 de abril, de regulación de los conflictos de intereses de los miembros del Gobierno y de los Altos Cargos de la Administración General del Estado, y demás normativa en materia de incompatibilidades.
4. Los consejeros de la Sociedad podrán formar parte de hasta un máximo de [4] consejos de administración de otras sociedades cotizadas (diferentes a la Sociedad).

Artículo 23.- Cese de los consejeros

1. Los consejeros cesarán en el cargo cuando haya transcurrido el período para el que fueron nombrados y cuando lo decida la Junta General de accionistas en uso de las atribuciones que tiene conferidas legal o estatutariamente.
2. Los consejeros deberán poner su cargo a disposición del Consejo de Administración y formalizar, si este lo considera conveniente, la correspondiente dimisión en los siguientes casos:
 - a. Cuando cesen en los puestos ejecutivos a los que estuviere asociado su nombramiento como consejero.

- b. Cuando se vean incursos en alguno de los supuestos de incompatibilidad o prohibición legal o estatutariamente previstos.
 - c. Cuando resulten gravemente amonestados por el Consejo de Administración por haber infringido sus obligaciones como consejeros.
 - d. Cuando su permanencia en el Consejo pueda poner en riesgo o perjudicar los intereses, el crédito o la reputación de la Sociedad o cuando desaparezcan las razones por las que fueron nombrados (por ejemplo, cuando un consejero dominical se deshace de su participación en la Sociedad o la reduzca de manera relevante según se señala en el apartado e. siguiente).
 - e. Cuando formen parte de más de [4] consejos de administración de otras sociedades cotizadas (diferentes a la Sociedad).
 - f. ~~e~~-En el caso de los consejeros dominicales (i) cuando el accionista a quien representen venda íntegramente su participación accionarial o la reduzca de manera relevante y, (ii) en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de consejeros dominicales.
3. En el caso de que, por dimisión o por cualquier otro motivo, un consejero cese en su cargo antes del término de su mandato, deberá explicar las razones en una carta que remitirá a todos los miembros del Consejo.
4. El Consejo de Administración únicamente podrá proponer el cese de un consejero independiente antes del transcurso del plazo estatutario cuando concurra justa causa, apreciada por el Consejo de Administración. En particular, se entenderá que existe justa causa cuando el consejero hubiera incumplido los deberes inherentes a su cargo o hubiese incurrido de forma sobrevenida en alguna de las circunstancias impositivas descritas en la definición de consejero independiente que se establezca en la normativa vigente o, en su defecto, en las recomendaciones de buen gobierno corporativo aplicables a la Sociedad en cada momento.