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## **REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. MIGUEL PEREDA ESPEO AS PROPRIETARY DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MAY 26 AND 29, 2017, 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 section 5 of article 529 *decies* 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 to the General Shareholders' Meeting of the Company called for May 26 and 29, 2017, on first and second call, respectively, under item 6.7 of the Agenda in connection with the renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew directors other than independent directors corresponds to the Board of Directors. Section 6 of this article adds that such proposal must be accompanied by a report prepared by the Appointments and Remuneration Committee.

Article 21 of the Board of Directors' Regulation of Lar España establishes that, before proposing any director's renewal to the General Meeting, the Board of Directors will assess (with the abstention of the affected directors) the proposed directors' quality of the work and dedication during their previous office.

In light of the foregoing, and in view of the expiration of the term for which Mr. Miguel Pereda Espeso was appointed as proprietary director in 2014, the purpose of this report is to assess the competence, experience and merits of the candidate whose renewal is proposed to the Company's General Meeting.

### **2. GENERAL REASONS FOR THE PROPOSAL**

Below is described the Board's assessment of Mr. Pereda's competence, experience and merits and his suitability to fulfill his duties as proprietary director of the Company, based on the favorable report issued by the Appointments and Remuneration Committee of the Company in its meeting held on 24 April 2017, in accordance with section 6 of article 529 *decies* of the Companies Law.

Such report of the Appointments and Remuneration Committee is attached as an **Annex** hereto.

For the purposes of 518.e) of the Companies Law, this report contains complete information on the identity, curriculum vitae and class of director to which the candidate belongs.

#### **1. Professional and biographical profile**

Mr. Pereda has more than 25 years of experience in the real estate sector. He has been a director of Grupo Lar Inversiones Inmobiliarias, S.A. for more than 10 years, and previously, for a period of 6 years, was Chief Executive Officer of Lar Grosvenor. In 2015, he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London.



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Currently, he is the chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and of Altamira Lar foundation.

Mr. Pereda has a degree in business administration from Universidad Complutense (Madrid, Spain), an MBA from the Instituto de Empresa (IE), participated in the Breakthrough program for Senior Executives of the IMD, has a Masters in tax from ICADE and participated in the Real Estate Management Program of Harvard University.

## 2. Other directorships

Mr. Pereda complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

In particular, Mr. Pereda sits in the Board of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and other companies of its group. He was expressly authorised to serve this office and to receive the relevant remunerations in 2014 by the then sole shareholder of the Company. Such authorisation was renewed by the General Meeting held on 21 April 2016.

## 3. Work quality and dedication

The Board of Directors understands that Mr. Pereda has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Board of Directors considers that Mr. Pereda has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## 3. **RESOLUTION PROPOSAL**

Pursuant to the above, the Board of Directors understands that Mr. Pereda has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Board submits to the Board the proposal to renew Mr. Pereda as proprietary director of the Company for the statutory term of three years.

### **ITEM SIX ON THE AGENDA**

#### **Fixing of the number of members of the Board of Directors, appointment and renewal of directors**

#### **RESOLUTION**

#### **6.7 Renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company**

*Following the proposal of the Company's Board of Directors and based on the favorable report issued by the Appointments and Remuneration Committee, it is resolved to renew the appointment of Mr. Miguel Pereda Espeso, as proprietary director for the statutory term of three years.*



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## **REPORT SUBMITTED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN CONNECTION WITH THE PROPOSED RENEWAL OF MR. MIGUEL PEREDA ESPESO AS PROPRIETARY DIRECTOR SET OUT IN ITEM SIX ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MAY 26 AND 29, 2017, ON FIRST AND SECOND CALL, RESPECTIVELY**

### **1. INTRODUCTION**

This report has been prepared by the Appointments and Remuneration Committee of Lar España Real Estate SOCIMI, S.A. (the "**Company**") pursuant to section 5 of article 529 *decies* 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 to the General Shareholders' Meeting of the Company called for May 26 and 29, 2017, on first and second call, respectively, under item 6.7 of the Agenda in connection with the renewal of Mr. Miguel Pereda Espeso as proprietary director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew directors other than independent directors corresponds to the Board of Directors. Section 6 of this article adds that such proposal must be accompanied by a report prepared by the Appointments and Remuneration Committee.

Article 15.1.4 of the Board of Directors' Regulation of Lar España attributes to this Committee the responsibility to issue a report on proposals to renew directors other than independent directors.

In light of the foregoing, and in view of the expiration of the term for which Mr. Miguel Pereda Espeso was appointed as proprietary director in 2014, the Appointments and Remuneration Committee issues this report to explain the proposal to renew Mr. Miguel Pereda Espeso as proprietary director of the Company.

#### **1. Board composition**

The Committee has analyzed the Board of Directors' current composition, assessing whether the Board members have the knowledge, competence and experience necessary, in aggregate, to properly perform its duties and defining the time and dedication necessary for directors to effectively serve their office.

#### **2. Professional and biographical profile**

Mr. Pereda has more than 25 years of experience in the real estate sector. He has been a director of Grupo Lar Inversiones Inmobiliarias, S.A. for more than 10 years, and previously, for a period of 6 years, was Chief Executive Officer of Lar Grosvenor. In 2015, he was appointed Eminent Member of the Royal Institution of Chartered Surveyors (RICS) in London.

Currently, he is the chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and of Altamira Lar foundation.

Mr. Pereda has a degree in business administration from Universidad Complutense (Madrid, Spain), an MBA from the Instituto de Empresa (IE), participated in the Breakthrough program for Senior



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### 3. Other directorships

Mr. Pereda complies with the limit set out in article 19.4 of the Board of Directors' Regulation pursuant to which the Company's directors may only integrate a maximum of four listed companies' board of directors.

In particular, Mr. Pereda sits in the Board of Grupo Lar Inversiones Inmobiliarias, S.A. (management company of Lar España) and other companies of its group. He was expressly authorised to serve this office and to receive the relevant remunerations in 2014 by the then sole shareholder of the Company. Such authorisation was renewed by the General Meeting held on 21 April 2016.

### 4. Work quality and dedication

The Appointments and Remuneration Committee understands that Mr. Pereda has fulfilled his duties with the loyalty of a faithful representative, acting in good faith, in the best interest of the Company and under the principle of personal liability with independence of judgement in respect of any third party instructions or connections. Moreover, the Appointments and Remuneration Committee considers that Mr. Pereda has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

## 2. **FAVORABLE REPORT**

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. Uriarte has the appropriate competence, experience and merits to serve his office as Company director in the terms legally and regulatory set out. As a result, the Committee issues a favorable report on the proposal to renew Mr. Pereda as a proprietary director of the Company for the statutory term of three years.