



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

## **REQUIREMENTS AND PROCEDURES TO PROVE OWNERSHIP, ATTENDANCE TO THE GENERAL MEETING AND APPLICABLE RULES REGARDING VOTING AND PROXIES USING REMOTE MEANS OF COMMUNICATION**

The Board of Directors de LAR ESPAÑA REAL ESTATE SOCIMI, S.A. ("**Lar España**" or the "**Company**") has resolved to call the Ordinary General Meeting, to be held in Madrid, at Príncipe de Vergara 187, Plaza de Rodrigo Uría, on 26 May 2017, at 17:30 on first call, and on 29 May 2017, at the same place and at the same time on second call.

By virtue of articles 27, 28 and 30 of its Articles of Association and articles 11, 13 and 26 of its General Meeting Regulations, the following rules regarding proxies for attending the General Meeting, voting and requests for information made prior to the General Meeting by remote means of communication will apply.

### **ATTENDANCE RIGHT**

All holders of voting shares who have caused such shares to be registered in their name in the corresponding book-entry register no later than five days before the ordinary general shareholders' meeting, may attend and participate in it.

Additionally, in order to attend the general shareholders' meeting, the shareholder will bring an attendance card, the ownership certificate issued by the entity responsible for the register of notes, if applicable or the document which, according to Spanish law, credits the shareholder as such.

The attendance card will be nominative and will be issued, at the request of the Company, either directly by it or by the corresponding entities responsible for the register of notes, allowing shareholders to use it as representation document for a given general shareholders' meeting.

On the expected date and place of the Ordinary General Shareholders' meeting, on first or second call, and two hours from the starting time of the meeting (unless otherwise specified in the Shareholders' meeting call and agenda), shareholders attending personally or by proxy, may present the shareholders attendance personnel their respective attendance cards or the representation documents granted to them. Attendance cards and other representation documents provided after the starting time of the Ordinary General Shareholders' meeting will not be considered.

### **PROXIES AND VOTING BY REMOTE MEANS OF COMMUNICATION**

#### **I. Right of representation and remote proxies**

In accordance with articles 27 and 28 of the Articles of Association and 13 of the General Meeting Regulations, any shareholder entitled to attend may grant a proxy to another



person to represent it at the General Meeting, who need not be a shareholder of the Company, by complying with the requirements and formalities imposed by law, the Articles of Association and the other internal rules of the Company to the extent applicable.

Shareholders wishing to appoint a proxy must complete and sign the proxy forms and the related attendance and proxy card.

The persons to whom the proxy and vote are granted must attend the General Meeting in person. They must present the attendance and proxy cards at the shareholders registration desks, which will be open from two hours before the scheduled time for the General Meeting, at the place and on the date indicated for holding the General Meeting.

Proxies can be revoked at any time. If a shareholder who has appointed a proxy attends the General Meeting in person or by casting a vote by remote means, it will be understood that the proxy is revoked, irrespective of when it was granted. If a shareholder grants multiple proxies or casts multiple votes, the last proxy or the last vote cast that the Company receives within the established term will prevail.

A proxy must be granted specifically for each General Meeting, in writing and may be granted by means of remote communication.

If the shareholder conferring the proxy issues instructions, the proxy must vote in accordance therewith and follow those instructions for one year after the General Meeting.

A proxy may represent an unlimited number of shareholders. When a proxy represents multiple shareholders, it may cast conflicting votes based on the instructions given by each shareholder.

In any event, the number of represented shares will be used to calculate if the quorum for holding the General Meeting is met.

The documents setting out the proxies for the General Meeting must include at least the following information:

- (a) The date and Agenda of the General Meeting.
- (b) The identity of the represented shareholder and the proxy. If not specified, the proxy will be deemed to have been granted to the Chair of the Board of Directors, without prejudice to the following provisions on conflicts of interest.
- (c) The number of shares held by the shareholder granting the proxy.
- (d) Any instructions that the shareholders has given on how the proxy must vote on each point on the Agenda.

The Chair of the General Meeting or persons appointed by the Chair will be deemed authorised to determine the validity of the proxies and if the General Meeting attendance requirements are met.



The preceding paragraphs will not be applicable when the proxy is a spouse, ascendant or descendant of the represented shareholder and this is evidenced, or has a general power of attorney to manage all the shareholder's assets in Spain and furnishes the public deed in which the power of attorney is granted.

When granted by remote means, a proxy will only be valid if it is granted:

**1. By post**

The attendance and proxy card issued by the IBERCLEAR member or made available to shareholders by the Company on its website ([www.larespana.com](http://www.larespana.com)) must be sent to the Company (Lar España Real Estate SOCIMI, S.A., Junta General, c/ Rosario Pino, 14-16, 28020, Madrid), completed and signed by the shareholder. The proxy and the identity of the represented shareholder must be guaranteed.

**2. By electronic communication**

Proxies granted electronically following the process set out on the Company's website ([www.larespana.com](http://www.larespana.com)) will be accepted from 25 April 2017.

For that purpose it will be necessary to have a recognised electronic signature, on the terms provided in Act 59/2003 of 19 December 2003 on electronic signatures, which is based on a recognised electronic certificate that has not been revoked and (i) is an Electronic User Certificate issued by the Spanish Public Certification Authority (CERES) under the Spanish Royal Mint or (ii) is attached to an electronic national Identity document issued in accordance with Royal Decree 1553/2005 of 23 December 2005 regulating the issue of the national identity document and electronic signature certificates.

**II. Right to vote and remote voting**

Shareholders entitled to attend and vote may cast their votes on proposals related to points on the Agenda prior to the holding of the General Meeting, by mail or electronic communication, in accordance with the law, articles 28 and 30 of the Articles of Association and articles 11 and 26 of the General Meeting Regulations.

**1. Voting by post**

In order to vote by post, a shareholder must complete and sign the attendance, proxy and voting card issued to it by the IBERCLEAR member or taken from the Company's website ([www.larespana.com](http://www.larespana.com)), in which it will indicate how its vote should be cast (in favour, against, abstention or blank) by ticking the corresponding box in the table on the attendance, proxy and voting card.

Once completed and signed, the shareholder must send it by mail to the Company's registered office (Lar España Real Estate SOCIMI, S.A., Junta General, c/ Rosario Pino, 14-16, 28020 Madrid).



## **2. Voting by electronic communication**

From 25 April 2017, a shareholder may also cast its vote by electronic communication with a legally-recognised electronic signature on the same terms as contemplated under heading 2 of section I above for granting proxies, and in section III below. The vote will be cast in a communication to the Company made electronically through the Company's website ([www.larespana.com](http://www.larespana.com)) by accessing the area destined for that purpose and following the procedure established therein.

## **III. Provisions common to remote voting and proxies**

To be valid, a proxy granted and a vote cast by any remote means of communication (mail or electronic) must be received by the Company before midnight of the day immediately preceding the day on which the General Meeting is to be held on first call. Otherwise, the proxy will be deemed not to have been granted and the vote not to have been cast. After that date, only votes cast in person at the General Meeting by the shareholder.

On the day and at the place that the General Meeting is held, the proxies, whether designated by post or electronic communication, must identify themselves. They may do so from two hours before the time of the General Meeting, by way of their national Identity document or any other current official document generally accepted for these purposes, so that the Company may verify the proxy granted, attaching a copy of the attendance and proxy card sent to the Company (by post) or of the electronic document that the shareholder sent by way of the Company's website to grant the proxy.

When a shareholder exercises its voting right or grants a proxy using remote means of communication, its shares must be registered in its name in the corresponding book entry records at least five days in advance of the date on which the General Meeting is to be held.

Also, the validity of the proxy granted and the vote cast by remote means of communication is subject to verification (against the record provided by IBERCLEAR) of status as a shareholder. In the event of a difference between the number of shares communicated by the shareholder granting the proxy or casting its vote by way of remote means of communication and the number appearing in the book entry records communicated by IBERCLEAR, the number of shares provided by the latter entity will, absent proof to the contrary, be considered to be valid for quorum and voting purposes.

A proxy granted or vote cast by mail or electronic correspondence may be voided by express revocation of the shareholder made using the same means of communication used to grant the proxy or cast the vote, respectively, within the established term.

Before being appointed, the proxy must advise the shareholder in detail as to whether a conflict of interest exists. If the conflict arose following the appointment and the represented shareholder had not been informed of its existence, the shareholder must be informed immediately. In both cases, if new precise voting instructions have not been received for each



of the matters on which the proxy has to vote on behalf of the shareholder, the proxy must abstain from casting a vote.

For the purposes provided in articles 523 and 526 of the Spanish Companies Act (*Ley de Sociedades de Capital*, or "LSC"), it is placed in record that the Board Chairman and the remaining directors may be subject to a conflict of interests (i) regarding items 6 (Fixing of the number of members of the Board of Directors, appointment and renewal of directors) and 14 (Advisory voting on the annual report on director remuneration); (ii) in relation to proposals referred to under article 526.1, sections a), b), c) and d) of LSC (appointment, re-election, ratification, removal, separation or discharge of the directors, the exercise of a corporate liability action and approval and ratification of the transactions carried out by relevant director with the Company) presented outside the Agenda according to the Law, and (iii) that the director Mr Miguel Pereda, solely, may be subject to a conflict of interest in items 7 (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) and 12 (Share capital increase in the nominal amount of € 4,167,070 through the issuance of shares to be subscribed by the Investment Manager as performance fee pursuant to the provisions of the Investment Manager Agreement, excluding pre-emption rights and authorising the Board of Directors to carry out the resolution) of the Agenda. With regards to the aforementioned conflict situations, if the represented shareholder has not granted precise voting instructions, it will be deemed that the shareholder instructs, unless otherwise indicated, the Secretary of the General Shareholders' Meeting.

If a shareholder grants a proxy by post or electronic communication to the Company, to the directors or to the Secretary to the Board, but does not include instructions therein for the exercise of the vote, or doubts arise regarding the identity of the proxy holder or the scope of the proxy, it will be understood that (i) the proxy is granted in favour of the Chair of the Board of Directors; (ii) it refers to all proposals comprising the Agenda of the General Meeting; (iii) the vote is to be cast in favour thereof; and (iv) it also extends to such points as may arise outwith the Agenda, in respect of which the proxy will vote in the manner it understands to be most favourable to the interests of the grantor of the proxy, within the framework of the corporate interest.

Similarly, if a shareholder casting its vote by post or electronic communication does not tick the boxes intended to indicate how its vote should be cast regarding the points on the Agenda, it will be understood that the grantor of the proxy wishes to vote in favour of the proposals made by the Board of Directors.

The following priority rules are established for proxies, remote voting and presence at the General Meeting:

- a. Personal attendance at the General Meeting by a shareholder that previously appointed a proxy or cast its vote remotely, whatever the method used to do so, will revoke the aforesaid proxy or vote.



- b. If a shareholder grants multiple proxies or casts multiple votes, the last proxy or the last vote cast that has been received by the Company within the established term will prevail.
- c. As a specific rule, a vote cast by any remote means of communication will void any proxy granted previously, be it electronically or by printed card, which will be taken to be revoked, or granted subsequently, which will be taken not to have been granted.
- d. Both proxies and remote voting will be voided by the transfer of the shares giving the right to attend, if known to the Company at least five days before the date on which the Meeting is to be held.

Co-owners of deposited shares are entitled to vote, grant proxies and attend, and the rules of priority established above will apply among them. For the purposes of article 126 of the Companies Act, it is presumed that a co-owner performing an action at any given time (granting a proxy, casting a vote or attending) has been designated by the other co-owners to exercise the rights corresponding thereto as a shareholder.

If the shareholder is a legal person, it must notify the Company of any change in or revocation of the authority of its proxy. The Company therefore disclaims any liability until such notification is given.

Custody of its electronic signature is the exclusive responsibility of the shareholder.

The Company reserves the right to amend, suspend, cancel or restrict remote voting and proxy mechanisms when required or imposed by technical or security considerations.

Lar España will not be liable for any losses caused to the shareholders as a result of faults, electrical overloads, line failures, connection failures, malfunctioning of the postal service or any other eventuality of an identical or similar nature beyond the Company's control that hinder the use of the remote voting and proxy mechanisms.

Regarding shareholders that are legal persons, when post is the remote means of communication used to grant a proxy to a third party or cast a vote, the Company must be sent, together with the other documentation required under these rules, a copy of the powers of the individual who, for and on behalf of the shareholder that is a legal person, grants a proxy to a third party or casts a remote vote.

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