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REPORT PREPARED BY THE AUDIT AND CONTROL COMMITTEE OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. ON ITS FUNCTIONING IN 2017

I. INTRODUCTION

In accordance with the provisions of article 14.7 of the Board of Directors Regulations of Lar España Real Estate SOCIMI, S.A. ("**Lar España**" or the "**Company**") regarding regulation of the Audit and Control Committee, and in order for the Board of Directors to undertake the annual evaluation of this Committee as provided in article 529 *nonies* of the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July 2010 (the "**Spanish Companies Act**"), the aforesaid Committee will prepare an annual report on its functioning, highlighting the principal issues arising, if any, in respect of its inherent functions. In compliance with the aforesaid rules, the Audit and Control Committee prepares this report- which includes the information provided in Spanish National Securities Market Commission (CNMV) Technical Guide 3/2017, on Audit Committees of entities of public interest (the "**CNMV Technical Guide 3/2017**").

This report will be attached to the Company's annual corporate governance report and will be available to shareholders, investors and other stakeholders by way of the Company's website (www.larespana.com) from the call of the ordinary General Meeting of shareholders.

For the purpose of complying with recommendation 6 of the Code of Good Governance for Listed Companies, the information regarding auditor's independence, functioning of the Audit and Control Committee and related transactions is included in the present report.

II. REGULATION

The Audit and Control Committee of Lar España is regulated in articles 42 of the Articles of Association and 14 of the Regulations of the Board of Directors, which reflect and develop the regime established in article 529 *quaterdecies* of the Spanish Companies Act.

Likewise, it is informed that on 27 December 2017, the Board of Directors approved the new Regulations of the Audit and Control Committee in order to develop article 14 of the Regulations of the Board, including the basic aspects regarding the composition, functions and functioning of the Commission included in the Technical Guide 3/2017 of the CNMV.

III. COMPOSITION

Articles 42 of the Articles of Association and 14 of the Board of Directors Regulations, at the date of this report, provide that the Audit and Control Committee will be comprised of a minimum of three and a maximum of five directors, appointed by the Board of Directors from among the non-executive directors. The majority of the Audit and Control Committee will be independent and will be appointed —specially the Chairperson— on the basis of knowledge and experience in accounting or auditing, or risk management. Likewise, the Committee members shall have, as a whole, the technical knowledge necessary with regard to the Company's business sector, in accordance with article 529 *quaterdecies.1* of the Spanish Companies Act. The Board of Directors shall also appoint the



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Chairperson of the Committee from among the independent directors that form part of the Committee. In accordance with article 14.1 of the Board of Directors Regulations, the Chairperson of the Audit and Control Committee will remain in office for a maximum term of three years, at the end of which the Chairperson may not be re-elected as such until one year has passed after leaving office, without prejudice to the Chairman's continuing or being re-elected as a member of the Committee.

During 2017 there have been changes in the composition of the Audit and Control Committee. Until 29 May 2017, the Audit and Control Committee was composed of the following members:

- **Mr. José Luis del Valle Doblado** (formerly Chairman and currently Member of the Committee) is an independent non-executive director of Lar España. He was appointed as a director of Lar España by Grupo Lar Inversiones Inmobiliarias, S.A., the then sole shareholder of the Company, on 5 February 2014, and re-elected as external independent director, at the prior proposal of the Appointments and Remuneration Committee and following a favourable report from the Board of Directors, by the Ordinary General Shareholders' Meeting held on 29 May 2017. The Board of Directors of the Company appointed him as a member and Chairman of the Audit and Control Committee on 6 February 2014, a position which he held until 29 May 2017, the date on which he presented his resignation to the Board as Chairman of the Committee, being since then a member of such Committee. Mr. del Valle has extensive experience in the banking and energy sector. From 1988 to 2002 he held various positions with Banco Santander, one of the most relevant financial entities in Spain. In 1999 he was appointed General Manager and Financial Manager of the bank (1999-2002). Subsequently he was Development and Strategy Manager of Iberdrola, one of the main Spanish energy companies (2002-2008), Managing Director of Scottish Power (2007-2008), Strategy and Research Manager of Iberdrola (2008-2010) and Advisor to the Chairman of the aerogenerator manufacturer Gamesa (2011-2012). Currently, Mr. del Valle is Director of the insurance group Ocaso; Director of Abengoa, S.A., which provides innovative technological solutions for sustainable development; Director of Verditek Plc, an investor in clean technologies; and Director of the Instituto de Consejeros-Administradores.

Mr. José Luis is a Mining Engineer from Universidad Politécnica (Madrid, Spain), number one of his class, Master of Science and Nuclear Engineer from the Massachusetts Institute of Technology (Boston, USA). Furthermore, Mr. del Valle holds an MBA with high honours from Harvard Business School (Boston, USA).

- **Mr. Pedro Luis Uriarte Santamarina** (formerly Member and currently Chairman of the Committee) is an independent non-executive director of Lar España. He was appointed as a director of Lar España by Grupo Lar Inversiones Inmobiliarias, S.A., the then sole shareholder of the Company, on 5 February 2014, and re-elected as external independent director, at the prior proposal of the Appointments and Remuneration Committee and following a favourable report from the Board of Directors, by the Ordinary General Shareholders' Meeting held on 29 May 2017. The Board of Directors of the Company appointed him as a member of the Audit and Control Committee on 6 February 2014, and appointed him as Chairperson of the Committee on 29 May 2017. After working in the industrial sector for nine years, from 1975 to 2001 he held various positions with BBVA and subsequently in BBVA, one of the main Spanish Banks, as Chief Executive Director since 1994, and also Vice Chairman thereof. He held the position as Vice Chairman of the Board of Telefónica, leader in the Spanish telecommunications market. In the area of public administration, he was appointed Minister of Economy and Finance of the Basque Government from 1980 to 1984. In 2007, Mr. Uriarte founded and chaired Innobasque, the



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Basque Innovation Agency, which he headed until 2009. Since then, he has collaborated on a number of different R+D+i initiatives. Currently, he is Chief Executive Officer of the strategy consulting firm Economía, Empresa y Estrategia, and is member of several boards and consulting bodies of other boards of directors of several different companies, both Spanish and international. He was also a Board member of UNICEF Spain.

Mr. Pedro Luis graduated from Universidad de Deusto (Bilbao, Spain) with a degree in business and administration, and is a member of the board of Deusto Business School, and has been honoured with numerous awards such as the "*Gran Cruz al Mérito Civil*" (Spanish government) in 2002, the Gold Medal of Guipuzkoa in 2005 and the "*Directivo del año*" award (awarded by the Spanish Confederation of Managers & Executives - CEDE) in 2011.

- **Mr. Miguel Pereda Espeso** (Member) is a proprietary non-executive director of Lar España. He was appointed as a director of Lar España by Grupo Lar Inversiones Inmobiliarias, S.A., the then sole shareholder of the Company, on 5 February 2014, and re-elected as external proprietary director, at the prior proposal of the Board of Directors and following a favourable report of the Appointments and Remuneration Committee, by the Ordinary General Shareholders' Meeting held on 29 May 2017. The Board of Directors of the Company appointed him as a member of the Audit and Control Committee on 6 February 2014. Mr. Pereda has more than 25 years of experience in the real estate sector, and is a director and shareholder 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, Mr. Pereda was appointed Eminent Member (Fellow) of the Royal Institution of Chartered Surveyors in London (RICS). He is currently the Chairman of Villamagna, S.A., a company belonging to the Grosvenor Group, and he is also Chairman of the Altamira Lar foundation.

Mr. Miguel 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.

At the Board meeting held on 29 May 2017, Mr. Miguel Pereda submitted his resignation as a member of the Committee. In such meeting, the Board of Directors appointed Ms. Isabel Aguilera Navarro as member of the Committee. Likewise, Mr. José Luis del Valle submitted his resignation as Chairperson of the Committee, being appointed Mr. Pedro Luis Uriarte as Chairperson of the Committee on his behalf:

- **Mrs. Isabel Aguilera Navarro** (Member), is an independent external director of Lar España. She was appointed as a director of Lar España by the Board of Directors through the co-option system, at its meeting held on 29 May 2017, date on which the Board of Directors also appointed her as member of the Audit and Control Committee. Mrs. Isabel Aguilera Navarro developed her professional career at various companies across several sectors. She served as President for Spain and Portugal at General Electric, General Manager for Spain and Portugal at Google, General Operations Director at NH Hoteles Group, CEO for Spain, Italy and Portugal at Dell Computer Corporation and director of Indra Sistemas. Mrs. Isabel has been a member of several national and international Boards of Directors, and is currently a member of the Board of Directors at Grupo Egasa and Oryzon Genomics.



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Mrs. Isabel has a degree in Architecture and Urbanism from the Escuela Técnica Superior de Arquitectura of Seville, a master's degree in Commercial and Marketing Management from IE, and completed the General Management Programme at IESE and the Executive Management of Leading Companies and Institutions Programme at San Telmo Institute. Mrs. Isabel is currently Associate Professor at ESADE.

In accordance with the foregoing, as of 31 December 2017, the Audit and Control Committee was composed of the following members:

- **Mr. Pedro Luis Uriarte Santamarina** (Chairperson).
- **Mr. José Luis del Valle Doblado** (Member).
- **Mrs. Isabel Aguilera Navarro** (Member).

Detailed information on the members of the Committee is available to the shareholders, investors and other stakeholders of Lar España on the website of the Company.

In accordance with the provisions of article 14.1 of the Board of Directors Regulations, the secretary non member of the Audit and Control Committee is Mr. Juan Gómez-Acebo Sáenz de Heredia, as he is also the secretary of the Board of Directors. Likewise, during fiscal year 2017, Mrs. Susana Guerrero Trevijano has been appointed deputy secretary of the Committee, as she is also deputy secretary of the Board of Directors.

As a result, the composition of the Committee during 2017 has been consistent with the provisions of the Board of Directors Regulations and article 529 *quaterdecies.1* of the Spanish Companies Act, in accordance with its current version, whereby between 1 January 2017 and 29 May 2017 this Committee has been comprised exclusively of non-executive directors appointed by the Board of Directors and with a majority of independent directors, including its Chairman and, as of this last date, all the members of the Committee have been independent directors.

IV. MEETINGS

In accordance with the provisions of article 14.4 of the Regulations of the Board of Directors, the Audit and Control Committee ordinarily meets 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 the Board of Directors must approve and include within its annual public documentation. It also may meet at the request of any of its members and when called by its Chairman. The Chairman must call the meeting whenever the Board or its Chairman requests the issuance of a report or preparation and adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority.

The Audit and Control Committee met thirteen times during 2017.

As a result, the Audit and Control Committee met with the frequency required for proper performance of its duties. All of its members attended the meetings that were held. Mrs. Isabel Aguilera Navarro attended one meeting represented by Mr. José Luis del Valle pursuant to a special delegation granted for these purposes.

Nine out of the thirteen meetings of the Audit and Control Committee were held at the Company's registered office.

When any of the members has been unable to physically attend the meeting, he or she attended the meeting by conference call.



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In addition to its members, the meetings of the Audit and Control Committee have been attended by different non-members, such as the Corporate Director, the Chief Financial Officer, and the Internal Auditor or directors of Lar España who are not members of the Committee, as guests of the Chairman in order to discuss some items of the Agenda. In particular, both the Internal Auditor and the External Auditor have attended to 3 meetings of the Committee. Likewise, when appropriate, external advisors or suppliers have participated in specific matters of the Audit and Control Committee.

V. ACTIVITIES DURING 2017

This Committee, in fulfilment of the duties it assumes under article 14 of the Board Regulations, focused its meetings during 2017 on the following principal activities:

- **Review of periodic financial reporting**

As in the last financial period, the Committee supervised the process of preparation and the integrity of the quarterly and semi-annual financial information, both individual and consolidated, that the Board of Directors must provide to the market and send to the National Securities Market Commission ("CNMV") by virtue of its periodic reporting obligations as a listed company.

Accordingly, the Committee reviewed compliance with the regulatory requirements, appropriate definition of the scope of consolidation and proper application of accounting principles in the periodic financial reporting, all within the terms legally established for that purpose, approving the financial information prior to its submission to the Board of Directors for approval before making it public.

- **Review of annual accounts**

The Audit and Control Committee, with the purpose of preventing the individual and consolidated annual accounts prepared by the Board of Directors from being presented with reservations and qualifications in the audit report, performed the following activities prior to the preparation of the accounts:

- Review the accounts of the Company and the Group.
- Monitor and verify compliance with legal requirements and the proper application of generally accepted accounting principles.
- Review the periodic financial information that the Board of Directors must provide to the markets and their supervising bodies.

The Audit and Control Committee reported favourably to the Board of Directors prior to the preparation of the annual accounts. Likewise, the Audit and Control Committee has agreed to submit to the Board the proposed profit application for the fiscal year ended on 31 December 2016.

Accordingly, it is noted that the audit reports of the individual and consolidated annual accounts of Lar España corresponding to the financial year ended 31 December 2016 had no reservations or qualifications. Likewise, no reservations or qualifications are expected regarding the audit reports regarding the individual and consolidated accounts of Lar España corresponding to the financial year ended 31 December 2017.

- **Supervision of relations and independence of the External audit**

The Audit and Control Committee supervised the relationships with the external auditors and its fees for the financial year 2017, as well as the compliance with the current auditing services contract, receiving information, among other matters, of the audit plan for 2017, ensuring that the opinion on the annual accounts and principal content of the audit report were drafted clearly and precisely.

Also, the Committee verified that the work engaged from the statutory auditor is in compliance with the independence requirements established in Royal Legislative Decree 1/2011 of 1 July 2011 approving the recast text of the Audit Act, concluding, based on the confirmation of independence received from the auditors through their independence letter, that there are no objective reasons to question the independence of the auditor in 2016 and 2017.

Moreover, the Audit and Control Committee has analysed and approved the different services to be provided by the external auditor other than the audit of accounts as well as the fees proposed for them, in accordance with the new European regulations on specific requirements for the audit of entities of public interest.

The Audit Act and section 4, function f), of article 529 *quaterdecies* of the Spanish Companies Act require that the Audit Committee annually, prior to the audit report, issue a report stating an opinion regarding the independence of the auditors. Based on this requirement and the confirmation of independence received from the auditors through the letter date 21 February 2018 attached to this report as **Annex I**, the Audit and Control Committee concluded that there are no objective reasons for questioning the independence of the statutory auditor for 2017.

In particular, this Committee reasonably concludes that:

- (i) While performing its duties during the fiscal year 2017, the auditor has complied with the applicable rules regarding independence established in the auditing regulations.
- (ii) No circumstances have been identified in order to question the compliance with the rules governing the auditing activities performed by the external auditor with regards to its independence and the Company.
- (iii) The fees paid by the Company to the auditor do not represent a significant percentage of the revenue of the auditor for the purposes of complying with the rules established in the Audit Act.
- (iv) The fees paid to the auditor have been reasonably justified, estimating that they will not exceed reasonable market prices applicable to these types of services.
- (v) Currently, the obligation regarding the rotation of the signing auditor partner is not applicable.

There are no circumstances or aspects that could reasonably be considered as a breach of the auditing rules regarding independence of the auditor or with the delivery of additional services different from the audit services.

Likewise, the Audit and Control Committee agreed to propose to the Board and, if applicable, to the General Shareholders' Meeting, the renewal of the auditor of accounts of the Company for a period of two years (fiscal years 2017 and 2018).

- **Supervision of the Internal Audit**

The Audit and Control Committee has performed during 2015 the functions related to internal auditing of the Company that have been attributed to it in the Board Regulations, basically the



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following: (i) seeing to the independence and effectiveness of the internal audit function; (ii) propose the budget of the unit; (iii) approve the orientation and the working plans, ensuring that its activity is mainly focused on the relevant risks of the Company; (iv) receive periodical information regarding its activities; and (v) verify that senior management takes into consideration the conclusions and recommendations of its reports.

In this regard, the internal audit of the Company has periodically informed the Audit and Control Committee about its activities. In particular, the Committee was informed, among other issues, about the evolution in the execution of the internal audit plan, about the functioning of the whistleblower channel, about crime prevention and money laundering follow-up, about the Company's main challenges with regard to cybersecurity and data protection issues

Likewise, the Committee reviewed and approved a new risk map for the Company that was submitted by the internal audit unit.

- **Supervision of the compliance with corporate governance regulations**

The Audit and Control Committee has sought to ensure compliance with the Internal Code of Conduct in the Securities Markets, the Board of Directors' Regulation and, in general, with the Company's Internal Code of Conduct and with all the corporate governance rules of the Company during the financial year 2017, without noticing any relevant breach.

Furthermore, the Committee reported favourably to the Board of Directors in relation to the amendment proposal of the Company's Internal Code of Conduct in the Securities Markets. Likewise, the Committee approved and reported favourably to the Board of Directors on the proposal to amend the Regulations of the Board of Directors and on the proposal for new Regulations of the Audit and Control Committee. For such proposals, the Audit and Control Committee was advised by external lawyers (Ramón y Cajal abogados and Uría Menéndez).

The Committee reviewed and accepted the Annual Corporate Governance Report for the financial year 2016 that, in accordance with article 538 of the Spanish Companies Act, must be included in a separate section of the Management Report that goes together with the Annual Accounts.

Additionally, the Committee agreed to favourably report on the proposal for a "Policy for Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors" and to submit it to the Board of Directors for approval, as well as the amendment of such proposal at a subsequent meeting of the Committee.

The Audit and Control Committee has approved the functioning report of the Committee for fiscal year 2016, agreeing to send it to the Board for its approval and subsequent publication at the Ordinary General Shareholders' Meeting.

Likewise, the Committee approved the content regarding the Committee itself included in the "Evaluation Report on the Functioning of the Board and its Committees for fiscal year 2016", agreeing to submit the Report to the Board for review and global approval.

- **Related-Party transactions**

The Audit and Control Committee has analysed the operations with related parties that have been communicated and acknowledged by the Committee, in the following terms:

Lar España signed an Investment Management Agreement with Grupo Lar Inversiones Inmobiliarias, S.A. for the provision of services by the latter, including, among others, the



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acquisition and management of real estate assets on behalf of the Company and its financial management. This agreement provides with a fixed remuneration amount and an additional amount based on the EPRA NAV of the Company. The total figure accrued in 2017 for both items amounted to 19,023 thousand euros.

Additionally, Lar España has formalized an agreement with the related company Gentalia 2006, S.L. (owned by Grupo Lar Inversiones Inmobiliarias, S.A.) for the provision of services related to the property management of real estate assets. As of 31 December 2017, the expense incurred for this concept amounts to 2,136 thousand euros.

- **Supervision of the Management Company's fees**

The Audit and Control Committee has supervised and approved the calculation of, and different payment alternatives for, the fees accrued by Grupo Lar Inversiones Inmobiliarias, S.A., in its capacity as the management company for Lar España, in the performance of its functions during the financial year 2017, as well as the amounts received by the Management Company.

- **Valuation of the assets of the Company**

In accordance with the provisions of the Articles of Association and the Regulations of the Board of Directors, the Committee reviewed and approved the valuations of the Company's assets prepared by the experts appointed by the Company for that purpose (JLL and C&W).

Furthermore, the Committee agreed to maintain for 2017 the same experts who already work for the Company, valuing the same assets, and review the valuation proposals and conduct a new contest to select experts for 2018.

Likewise, the Committee has been periodically informed of different issues related to certain assets of the Company.

- **Other**

Finally, the Committee approved the interim dividend payment of the Company's subsidiaries during the year 2017.

Likewise, the Committee has analysed compliance with the requirements to be able to apply the SOCIMI regime and, in particular, the income ratio, counting for that purpose on the services of external experts of renowned prestige (KPMG, Deloitte, Uría Menéndez and Garrigues).

VI. PROPOSALS RELATED TO THE COMPANY'S GOVERNANCE RULES

Among the functions that the Articles of Association, the Board of Directors Regulations, the Internal Code of Conduct in the Securities Markets, and its own Regulations attribute to the Audit and Control Committee is that of making the necessary proposals for improvement related to the Company's governance rules, when the Committee considers that to be appropriate.

In this regard, during the year 2017, proposals regarding the modification of the internal rules of the Company have been made. Specifically, the amendment of the Board of Director's Regulations were proposed with the aim of incorporate firstly the basic principles of the CNMV Technical Guide 3/2017 (and specifically to expressly incorporate certain Good Governance Code Recommendations declared by the Company as having been met in its 2016 Corporate Governance Annual Report), and secondly the criteria relating to the diversity of the composition of the Board established by Royal



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Decree-Law 18/2017. Furthermore, certain technical amendments are made to the functions assigned to the Appointments and Remuneration Committee, specifically on corporate social responsibility (currently covered by article 14 relating to the Audit and Control Committee). In coordination with the above, the Committee agreed to issue a favourable report in this respect and to send to the Board for its final approval the newly proposed Regulations of the Audit and Control Committee drafted in order to implement Article 14 of the Regulations of the Board, incorporating basic aspects regarding the composition, functions and operation of the Committee included in the CNMV Technical Guide 3/2017, based in turn on the Recommendations of the Good Governance Code and the proposed amendment of the Regulations of the Board of Directors. Hence, the Specific Regulations of the Audit and Control Committee will be added to the Lar España corporate texts, as proposed by the CNMV Technical Guide 3/2017.

Likewise, an amendment to the Company's Internal Code of Conduct in the Securities Markets was proposed with the aim to introduce.

Lastly, the Committee submitted to Board of Directors a proposal to amend the Policy for Communication Policy and Contacts with Shareholders, Institutional Investors and Proxy Advisors, in order to complement the current text on different aspects deriving from the applicable legislation on listed companies itself and from Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC of 11 July on the exercise of certain rights of shareholders in listed companies.

The Committee proposes to review in 2018 the new laws and regulations that have been published, if applicable, introducing such reforms in the Company's internal regulations as may be necessary or appropriate, and in particular, in the Directors Selection and diversity Policy of the Board of Directors, as well as approving the new Treasury Stock Policy and Dividend Policy of Lar España, in accordance with the provisions of articles 249 *bis.k*) and 529 *ter.1 a*) of the Spanish Companies Act.

This report, corresponding to the activities of the Audit and Control Committee during the period from 1 January to 31 December 2017, as provided in article 14.7 of the Board of Directors Regulations, will be available to shareholders, investors and other stakeholders by way of the Company's website (www.larespana.com) from the call of the General Meeting of Shareholders.

VII. EVALUATION AND CONCLUSIONS

Based on the foregoing, the Audit and Control Committee has evaluated its composition and functioning during the year 2017, considering that:

- The composition of the Committee has been adjusted to the legal and corporate provisions laid down for this purpose, being comprised of members that have the technical knowledge necessary with regard to the competences of the Committee and the Company's business sector to which Lar España belongs, and by a majority of independent directors until 29 May 2017. Furthermore, as of 29 May 2017, all the members of the Committee have been independent directors.
- The Committee has held meetings with the frequency provided in article 14 of the Board Regulations and whenever it has been necessary in response to the issues to be addressed in such Committee.
- The thirteen meetings of the Committee have been attended by all its members, present or duly represented.



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- The members of the Committee have had at their disposal, prior to the Committee's meetings, the necessary information with regard to the different Items of the Agenda in order to be able to deliberate and make informed decisions. In addition, when necessary, the Committee has been advised by external experts.
- Lastly, the Committee has deliberated and adopted resolutions on matters within its competence, among which the following can be highlighted, among others: the review of the periodic financial information, the supervision of relations and the independence of the External Audit, the supervision of the Internal Audit, the supervision of the compliance with corporate governance regulations or the supervision of fees received by the Management Company.

In accordance with the foregoing, it can be concluded that the Audit and Control Committee has complied with the rules provided in the Law and in its corporate regulations regarding the composition, frequency of meetings, attendance and informed participation of its members, having dealt with the matters of competence of the Audit and Control Committee during fiscal year 2017.

* * *

This report has been approved by the Audit and Control Committee at its meeting held on 21 February 2018, and by the Board of Directors at its meeting held on 15 March 2018.



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ANNEX I
LETTER OF CONFIRMATION OF INDEPENDENCE RECEIVED FROM THE AUDITORS

21 de febrero de 2018

Lar España Real Estate SOCIMI, S.A.
Rosario Pino, 14-16 8ª planta
28020 Madrid

A la Comisión de Auditoría y Control de Lar España Real Estate SOCIMI, S.A.:

Muy señores nuestros:

En relación con la auditoría de las cuentas anuales de Lar España Real Estate SOCIMI, S.A., así como de las cuentas anuales consolidadas del Grupo del cual es Sociedad Dominante, para el ejercicio finalizado el 31 de diciembre de 2017, les confirmamos que, según nuestro mejor leal saber y entender:

1. El equipo a cargo del encargo de auditoría y Deloitte, S.L., con las extensiones que les son aplicables, han cumplido con los requerimientos de independencia aplicables de acuerdo con lo establecido en la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas (LAC) y el Reglamento (UE) nº 537/2014, de 16 de abril.
2. Los honorarios cargados a Lar España Real Estate SOCIMI, S.A. y otras sociedades dependientes, desglosados por concepto, tanto por servicios de auditoría como por servicios distintos de la auditoría, durante el ejercicio finalizado el 31 de diciembre de 2017 por Deloitte y su red, para facilitarles la evaluación de los mismos en el marco de nuestra independencia son los siguientes (en euros):

Conceptos	Lar España Real Estate SOCIMI, S.A.	Lar España Real Estate SOCIMI, S.A. y Sociedades Dependientes
Servicios de Auditoría	100.000	245.000
Otros servicios de Verificación:		
• <i>Revisión limitada a 30 de junio de 2017</i>	<i>48.500</i>	<i>48.500</i>
• <i>Certificados de covenants</i>	-	<i>16.000</i>
Total servicios de Auditoría y Relacionados	148.500	309.500
Otros Servicios	182.000	194.000
Total Servicios Profesionales	330.500	503.500

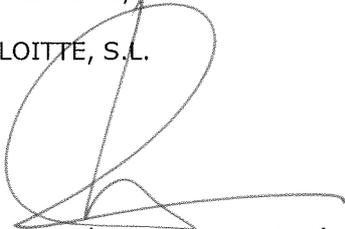
El detalle individualizado del epígrafe "Otros Servicios" se recoge en el anexo I.

3. Tenemos diseñados e implantados procedimientos internos dirigidos a identificar y evaluar amenazas que puedan surgir de circunstancias relacionadas con entidades auditadas, incluidas las que puedan suponer causas de incompatibilidad y, en su caso, a la aplicación de las medidas de salvaguarda necesarias, y en relación con la auditoría indicada, y para el periodo cubierto por los estados financieros y hasta la emisión de esta carta no se han identificado circunstancias, que de forma individual o en su conjunto, pudieran suponer una amenaza significativa a nuestra independencia y que, por tanto, requiriesen la aplicación de medidas de salvaguarda o que pudieran suponer causas de incompatibilidad.

Esta carta es para información y uso exclusivo del Comité de Auditoría y Control de Lar España Real Estate SOCIMI, S.A. para el fin mencionado anteriormente y, por tanto, no puede ser usada por otras personas o para otros fines distintos del mencionado.

Atentamente,

DELOITTE, S.L.

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a horizontal line and a small flourish.

Antonio Sánchez-Covisa Martín-González
Socio

Anexo I - Detalle Individualizado

A continuación, se detalla en relación con el punto 2 de la confirmación de independencia la información sobre "Otros servicios" adicionales de cualquier clase prestados y sus correspondientes honorarios (en euros):

Otros servicios

Descripción	Lar España Real Estate SOCIMI, S.A.	Lar España Real Estate SOCIMI, S.A. y Sociedades Dependientes
Proyecto de diferenciación de activos	170.000	170.000
Informe pericial El Rosal	-	12.000
Informe SCIIF	12.000	12.000
Total	182.000	194.000