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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. ALEC EMMOTT AS INDEPENDENT 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 6.5 of the Agenda in connection with the renewal of Mr. Alec Emmott as independent director of the Company.

Section 4 of article 529 *decies* of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

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. Alec Emmott was appointed as independent 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. Emmott's competence, experience and merits and his suitability to fulfill his duties as independent director of the Company, based on the reasoned proposal issued by the Appointments and Remuneration Committee of the Company in its meeting held on 24 April 2017, in accordance with section 4 of article 529 *decies* of the Companies Law.

The referred proposal of the Appointments and Remuneration Committee is fully endorsed by the Board and 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. Emmott has a wide career in the listed and unlisted real estate sector in Europe, and is based in Paris. He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012.

He is currently the Principal of Europroperty Consulting, and since 2011 he is a Director of CeGeREAL S.A. (representing Europroperty Consulting). He is also member of the advisory committee of Weinberg Real Estate Partners (WREP I and II).



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He has been a member of the Royal Institution of Chartered Surveyors (MRICS) since 1971. Mr. Emmott holds an MA from Trinity College (Cambridge UK).

## 2. Other directorships

Mr. Emmott currently sits in the Board of CeGeREAL S.A. (representing Europroperty Consulting). Consequently, Mr. Emmott 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.

## 3. Work quality and dedication

The Board of Directors understands that Mr. Emmott 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. Emmott 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 endorses the proposal of the Appointments and Remuneration Committee and believes that Mr. Emmott 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 a favourable report on Mr. Emmott's renewal as independent director 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**

##### ***6.5 Renewal of Mr. Alec Emmott as independent director of the Company***

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



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## **ANNEX**

# **PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE TO THE BOARD OF DIRECTORS TO SUBMIT TO THE GENERAL SHAREHOLDERS' MEETING THE RENEWAL OF MR. ALEC EMMOTT AS INDEPENDENT DIRECTOR**

## **1. INTRODUCTION**

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**”), makes this proposal that is 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 6.5 of the Agenda in connection with the renewal of Mr. Alec Emmott as independent director of the Company.

Section 4 of article 529 decies of the Companies Law sets out that the proposal to renew independent directors corresponds to the Appointments and Remuneration Committee. Section 5 of this article adds that such proposal must be accompanied by a report prepared by the Board of Directors assessing the competence, experience and merits of the proposed candidate.

Article 15.1.4 of the Board of Directors' Regulation of Lar España attributes to this Committee the responsibility to submit directors' renewals proposals to the Company's General Meeting.

For these purposes, and in view of the expiration of the term for which Mr. Alec Emmott was appointed as independent director in 2014, the Appointments and Remuneration Committee has analyzed the Board's 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.

The Committee has also reviewed the candidate's professional and biographical profile.

Mr. Emmott has a wide career in the listed and unlisted real estate sector in Europe, and is based in Paris. He served as CEO of Société Foncière Lyonnaise (SFL) from 1997 to 2007 and subsequently as senior advisor to SFL until 2012.

He is currently the Principal of Europroperty Consulting, and since 2011 he is a Director of CeGeREAL S.A. (representing Europroperty Consulting). He is also member of the advisory committee of Weinberg Real Estate Partners (WREP I and II).

He has been a member of the Royal Institution of Chartered Surveyors (MRICS) since 1971. Mr. Emmott holds an MA from Trinity College (Cambridge UK).

As for Mr. Emmott's work quality and dedication, the Appointments and Remuneration Committee understands that Mr. Emmott 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. Emmott has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.



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## **2. RESOLUTION PROPOSAL**

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. Emmott 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 submits to the Board the proposal to renew Mr. Emmott as independent 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**

##### **6.5 Renewal of Mr. Alec Emmott as independent director of the Company**

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