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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. ROGER MAXWELL COOKE MBE 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 6.6 of the Agenda in connection with the renewal of Mr. Roger Maxwell Cooke MBE 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. Roger Maxwell Cooke MBE 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. Cooke'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. Cooke is an experienced professional with more than 30 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting



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valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, heading the company to attain a leading position in the sector.

In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment.

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since May 2014, Mr. Cooke has been a Senior Advisor at Ernst & Young.

2. Other directorships

Mr. Cooke 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. Cooke 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. Cooke 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. Cooke 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. Cooke'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

6.6 Renewal of Mr. Roger Maxwell Cooke MBE 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. Roger Maxwell Cooke MBE, 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. ROGER MAXWELL COOKE MBE 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 6.6 of the Agenda in connection with the renewal of Mr. Roger Maxwell Cooke MBE 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. Roger Maxwell Cooke MBE 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. Cooke is an experienced professional with more than 30 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, heading the company to attain a leading position in the sector.

In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since May 2014, Mr. Cooke has been a Senior Advisor at Ernst & Young.

As for Mr. Cooke's work quality and dedication, the Appointments and Remuneration Committee understands that Mr. Cooke 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



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Appointments and Remuneration Committee considers that Mr. Cooke has devoted the necessary time to effectively fulfil his duties and that his availability is sufficient for the proper performance of his duties.

2. RESOLUTION PROPOSAL

Pursuant to the above, the Appointments and Remuneration Committee understands that Mr. Cooke 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. Cooke 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

6.6 Renewal of Mr. Roger Maxwell Cooke MBE 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. Roger Maxwell Cooke MBE, as independent director for the statutory term of three years.