

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MS. LETICIA IGLESIAS HERRAIZ AS INDEPENDENT DIRECTOR OF THE COMPANY INCLUDED UNDER ITEM SEVEN OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD ON APRIL 26 OR 27, 2022, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

This report is issued by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**") in accordance with the provisions of paragraph 5 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**"), and has the purpose of justifying the proposal of re-election of Ms. Leticia Iglesias Herraiz as independent director of the Company.

In accordance with the provisions of paragraph 4 of the referred article, the Appointments, Remunerations and Sustainability Committee shall propose the appointment or re-election of independent directors. This proposal shall be accompanied by a supporting report issued by the Board of Directors in which the competence, experience and merits of the person whose appointment or re-election is proposed to the General Shareholders' Meeting are assessed.

Likewise, article 21 of the Company's Board of Directors Regulations sets out that, before proposing the re-election of directors to the General Shareholders' Meeting, the Board of Directors shall assess, with the abstention of the affected persons, the quality of the work and the involvement of the proposed directors during their previous office.

In light of the foregoing and of the upcoming expiry of Ms. Leticia Iglesias Herraiz's office, this report aims to assess her competence, experience and merits, in view of the Appointments, Remunerations and Sustainability Committee's proposal to re-elect Ms. Leticia Iglesias Herraiz as director of the Company. Such proposal is attached as **Annex** to this report.

2. CANDIDATE'S ASSESSMENT

Below is the Board of Directors' assessment of the competence, experience and merits of Ms. Leticia Iglesias Herraiz and her suitability to perform her duties as independent director of the Company, in view of the motivated proposal issued by the Appointments, Remunerations and Sustainability Committee of the Company at its meeting held on March 22, 2022.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on of the candidate's identity, CV and director category. In addition, this report includes a valuation of the quality of her job and her involvement during her previous office

and of the eligibility requirements needed to perform the duties corresponding to the Company's directors.

a. Biographical and professional profile

Mrs. Leticia Iglesias has extensive experience in regulating and supervising securities markets and financial services. She started her career in 1987 in Arthur Andersen's Auditing Division. Between 1989 and 2007, she developed her professional career at the National Securities Market Commission (CNMV). From 2007 to 2013 she was Director General at the Spanish Institute of Chartered Accounts (ICJCE). Likewise, between 2013 and 2017, she was an independent Director of the Board of Banco Mare Nostrum (BMN), as well as a member of the Executive Committee, Chair of the Global Risk Committee and a member of the Auditing Committee. In 2017 and 2018 she served as independent director in Abanca Servicios Financieros, EFC, as well as Chair of the Joint Audit and Risk Committee. Since May 2018 she has been a member of the Board of Directors of Abanca Corporación Bancaria, Chair of the Audit and Compliance Committee and member of the Integral Risk of the Integral Risk Committee. Since April 2019, she has been an Independent Director and Chair of the Audit Committee of AENA SME, S.A. and, since April 2021, a member of its Sustainability and Climate Change Committee. Likewise, since October 22, 2020, she is an Independent Director and member of the Audit Committee of ACERINOX S.A.

Mrs. Iglesias holds a degree in Economic Sciences and Business Administration from the Universidad Pontificia de Comillas (ICADE). She is a member of the Spanish Official Registry of Auditors (ROAC). Trustee of Fundación PRODIS Centro Especial de Empleo, as well as member of the Executive Commission of the ICADE Business Club, none of these activities being remunerated.

In addition, she is a member of the International Advisory Board of the Faculty of Economics and Business Administration of the Universidad Pontificia de Comillas (ICADE), which is not a remunerated position either.

b. Membership of other Boards of Directors of listed companies

Currently, Ms. Leticia Iglesias Herraiz is member of the Board of Directors of the following listed companies:

- Abanca Corporación Bancaria, S.A.
- AENA SME, S.A
- ACERINOX, S.A.

Consequently, she complies with the limit set out in article 19.4 of the Board of Directors' Regulations, pursuant to which the Company's directors may belong to up to four other boards of directors of companies listed on regulated markets (apart from the Company) in Spain or abroad.

In accordance with the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on February 24, 2022, Ms. Leticia Iglesias Herraiz does not perform any additional remunerated activity, whatever its nature, other than the ones mentioned above.

c. Quality of her work and involvement

Ms. Leticia Iglesias Herraiz was appointed as a director of the Company by the Board of Directors, through the co-option mechanism, on October 16, 2018. On April 25, 2019, the General Shareholders' Meeting of the Company ratified her appointment and approved her re-appointment as director for the statutory period of three years. Currently, Ms. Leticia Iglesias Herraiz is a director of the Company, and a member and Chair of its Audit and Control Committee.

The Board of Directors has analysed the duties performed by Ms. Leticia Iglesias Herraiz and her dedication during the previous office and it considers that she has fulfilled her duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions. In particular, the Board of Directors considers that Ms. Leticia Iglesias Herraiz has exercised her duties as a director with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

To carry out this analysis, the Board of Directors has taken into consideration the conclusions of the evaluation process of the Board carried out by the Company during 2021, as well as the results of the assessments of previous years. Moreover, in the context of the proposed re-election of Ms. Leticia Iglesias Herraiz as independent director and the resignation of Mr. Laurent Luccioni as proprietary director, the Appointments, Remunerations and Sustainability Committee has reviewed and updated in March 2022 the competencies matrix that was developed in December 2020 and has been periodically reviewed, in accordance with the third item of Section 3 of the Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

Taking into consideration the referred external and internal evaluation processes of the Board, as well as the revision and update of the competencies matrix, it was concluded firstly that, among others, the Board of Directors was in very good standing, and that it was balanced and in line with best corporate governance practices. In summary, the analyses concluded that it is a well-consolidated Board, in which all of the directors have a positive opinion of the other directors and the development of their duties.

Secondly, and in such context, Ms. Leticia Iglesias Herraiz's professional and biographical profile and her performance, together with the profiles and capabilities of the Board as a whole, were assessed. After analysing the rest of her occupations and her independence, it was concluded that Ms. Leticia Iglesias Herraiz has the appropriate competence, experience and merits to perform her role as director of the Company under the terms established by Law. Taking into account the provisions of the reviewed and updated competencies matrix, the Board of Directors considers that Ms. Leticia Iglesias Herraiz is fully qualified for the position for which she is proposed, being an expert in the matters highlighted in the matrix that is included in the proposal of the Appointments, Remunerations and Sustainability Committee, all of which are matters that the Company considers essential for its proper performance and for the good performance of the Board as a governing body.

Additionally, the Board of Directors values the extensive professional track-record of Ms. Leticia Iglesias Herraiz and considers that she has the knowledge and experience required for the appropriate performance of her duties as a director of the Company and as a member and Chair of the Audit and Control Committee.

On a separate note, the Board of Directors considers that the director has devoted the necessary time to properly serve in her office and that she has enough availability for the correct performance of her duties.

d. Holdings in the Company

In accordance with the information that has been provided to the Company, Ms. Leticia Iglesias Herraiz currently does not own any shares in the Company.

e. Director's Category

Ms. Leticia Iglesias Herraiz will not represent any shareholder on the Board of Directors and will not perform executive duties. Furthermore, the Board has verified that the candidate complies with the requirements to be considered as an independent director in accordance with the applicable law.

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments, Remunerations and Sustainability Committee's proposal and issues a favourable report on the re-election of Ms. Leticia Iglesias Herraiz as a director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that she will provide continuity to the management of the Company and its group.

The full text of the proposed resolution that is submitted to the Ordinary General Shareholders' Meeting is the following:

"Based on the proposal of the Appointments, Remunerations and Sustainability Committee and following the favourable report of the Board of Directors, to re-elect Ms. Leticia Iglesias Herraiz as member of the Board, under the category of "independent director", for the statutory period of three years."

Madrid, March 22, 2022

ANNEX

APPOINTMENTS, REMUNERATIONS AND SUSTAINABILITY COMMITTEE PROPOSAL TO THE BOARD OF DIRECTORS IN RELATION TO THE RE-ELECTION OF MS. LETICIA IGLESIAS HERRAIZ AS INDEPENDENT DIRECTOR OF THE COMPANY

1. INTRODUCTION

In accordance with the provisions of paragraph 4 of article 529 *decies* of the consolidated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*, the "**Spanish Companies Law**") and article 15.4 of the Regulations of the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**"), the Company's Appointments, Remunerations and Sustainability Committee issues this proposal of re-election of Ms. Leticia Iglesias Herraiz as independent director of the Company for the statutory term of three years to be submitted to the following Ordinary General Shareholders' Meeting of the Company.

2. PROPOSAL'S JUSTIFICATION

In view of the upcoming expiry of Ms. Leticia Iglesias Herraiz's office, the Appointments, Remunerations and Sustainability Committee has analysed the current composition of the Board of Directors and has reviewed the competence, experience and merits of its current members with the purpose of identifying the Board of Directors' needs and specifying the functions and aptitudes that candidates must fulfil to properly perform their duties.

Likewise, the Appointments, Remunerations and Sustainability Committee has evaluated the professional and biographical profile of Ms. Leticia Iglesias Herraiz and has assessed her performance as member of the Board of Directors of the Company and member and Chair of the Audit and Control Committee.

Mrs. Leticia Iglesias has extensive experience in regulating and supervising securities markets and financial services. She started her career in 1987 in Arthur Andersen's Auditing Division. Between 1989 and 2007, she developed her professional career at the National Securities Market Commission (CNMV). From 2007 to 2013 she was Director General at the Spanish Institute of Chartered Accounts (ICJCE). Likewise, between 2013 and 2017, she was an independent Director of the Board of Banco Mare Nostrum (BMN), as well as a member of the Executive Committee, Chair of the Global Risk Committee and a member of the Auditing Committee. In 2017 and 2018 she served as independent director in Abanca Servicios Financieros, EFC, as well as Chair of the Joint Audit and Risk Committee. Since May 2018 she has been a member of the Board of Directors of Abanca Corporación Bancaria, Chair of the Audit and Compliance Committee and member of the Integral Risk of the Integral Risk Committee. Since

April 2019, she has been an Independent Director and Chair of the Audit Committee of AENA SME, S.A. and, since April 2021, a member of its Sustainability and Climate Change Committee. Likewise, since October 22, 2020, she is an Independent Director and member of the Audit Committee of ACERINOX S.A.

Mrs. Iglesias holds a degree in Economic Sciences and Business Administration from the Universidad Pontificia de Comillas (ICADE). She is a member of the Spanish Official Registry of Auditors (ROAC). Trustee of Fundación PRODIS Centro Especial de Empleo, as well as member of the Executive Commission of the ICADE Business Club, none of these activities being remunerated.

In addition, she is a member of the International Advisory Board of the Faculty of Economics and Business Administration of the Universidad Pontificia de Comillas (ICADE), which is not a remunerated position either.

Regarding the quality of her work, the Appointments, Remuneration and Sustainability Committee considers that Ms. Leticia Iglesias Herraiz has performed her duties with the loyalty of a faithful representative, acting in good faith, in the best interests of the Company and under the principle of personal responsibility, with freedom of judgment and independence with respect to third party's instructions and relationships. In particular, the Committee values very positively the commitment, diligence and professionalism of the director in the performance of her duties as a member of the Board of Directors and member and Chair of the Audit and Control Committee, as well as her contributions and inputs to the activities and meetings of the Board of Directors and of the aforementioned Committee.

In this context, the Appointments, Remunerations and Sustainability Committee has taken into consideration the conclusions of the evaluation process of the Board carried out by the Company during 2021, as well as the results of the assessments of previous years. Moreover, the competencies matrix that is attached to this proposal as an Annex and which was developed by this Committee in December 2020 in accordance with the third item of Section 3 of the Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), has been reviewed and updated in March 2022 in the context of the proposed re-election of Ms. Leticia Iglesias Herraiz as independent director and the resignation of Mr. Laurent Luccioni as proprietary director.

Taking into consideration the referred external and internal evaluation processes, as well as the revision and update of the competencies matrix, it was concluded firstly that, among others, the Board of Directors was in very good standing, and that it was balanced and in line with best corporate governance practices. In summary, the analyses concluded that it is a well-consolidated Board, in which all of the directors have a positive opinion of the other directors and the development of their duties.

Secondly, and in such context, Ms. Leticia Iglesias Herraiz's professional and biographical profile and her performance, together with the profiles and capabilities of the Board as a whole, were assessed. After analysing the rest of her occupations and her independence, it was concluded that Ms. Leticia Iglesias Herraiz has the appropriate competence, experience and merits to

perform her role as director of the Company under the terms established by Law. Taking into account the competencies matrix that is attached to this proposal as an Annex and the expertise in the matters highlighted therein, the Committee considers that Ms. Leticia Iglesias Herraiz is fully qualified for the position for which she is proposed, given that such matters are considered essential for its proper performance and for the good performance of the Board as a governing body by the Company.

On a separate note, the Appointments, Remunerations and Sustainability Committee has analysed the other offices in which Ms. Leticia Iglesias Herraiz currently occupies. Taking into account that she is currently a member of the Board of Directors of three listed companies different from Company —this is, Abanca Corporación Bancaria, S.A., AENA SME, S.A., and ACERINOX, S.A.— the Committee considers that she complies with limit set out in article 19.4 of the Board of Directors' Regulations. In accordance with the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on February 24, 2022, Ms. Leticia Iglesias Herraiz does not perform any additional remunerated activity, whatever its nature, other than the ones previously mentioned.

The Committee has also evaluated the director's independence and considers that she is not involved in any situation that prevent him from performing her duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

In light of the foregoing, the Appointments, Remunerations and Sustainability Committee believes that Ms. Leticia Iglesias Herraiz has the appropriate competence, experience and merits to exercise her duties as director of the Company pursuant to applicable law. As a consequence, the Committee submits to the Board of Directors the proposal to re-elect Ms. Leticia Iglesias Herraiz as director of the Company, under the category of independent director, for the statutory term of three years.

The full text of the proposed resolution is the following:

"Based on the proposal of the Appointments, Remunerations and Sustainability Committee and following the favourable report of the Board of Directors, to re-elect Ms. Leticia Iglesias Herraiz as member of the Board, under the category of "independent director", for the statutory period of three years."

ANNEX

COMPETENCIES MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	JOSÉ LUIS DEL VALLE	LETICIA IGLESIAS	ISABEL AGUILERA	ROGER COOKE	MIGUEL PEREDA	ALEC EMMOTT
Office / Committees	Non-executive chairperson / ACC member	Director / ACC chairperson	Director / ACC member	Director / ARSC chairperson	Director / ARSC member	Director / ARSC member
Category	Independent	Independent	Independent	Independent	Proprietary	Independent
Nationality	Spain	Spain	Spain	UK	Spain	UK
Sectorial: Real estate / Retail / Valuations				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sectorial-Technical: Architecture / Urban planning / Engineering	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
IT / Risks			<input checked="" type="checkbox"/>			
Finance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
AUDIT / Risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
International markets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other boards	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Investor knowledge / Stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Team and talent management		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG / Risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
First Executive Duties / CEO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>