

**ANNEX I
ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED
COMPANIES**

IDENTIFICATION DATA OF THE ISSUER

REFERENCE EXERCISE END DATE

CIF: A-86918307

Social denomination:

LAR ESPAÑA REAL ESTATE SOCIMI, SA

Registered address:

Rosario Pino 14-16, Madrid.

COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR

A.1 Explain the remuneration policy of the Company. This section will include information on:

General principles and foundations of the remuneration policy.

Most significant changes made to the remuneration policy compared to the one applied during the previous year, as well as the modifications that have been made during the year to the conditions for exercising options already granted.

Criteria used and composition of the groups of comparable companies whose remuneration policies have been examined to establish the company's remuneration policy.

Relative importance of the variable remuneration items with respect to the fixed ones and criteria followed to determine the different components of the directors' remuneration package (remuneration mix).

Explain the remuneration policy

LAR ESPAÑA REAL ESTATE SOCIMI SA (hereinafter Lar España), was incorporated on 01/17/2014 and during 2014 it did not have a remuneration policy in force. During 2014 Lar España has established the remuneration of its directors according to what is established in Article 27 of the Regulations of the Board of Directors, which specifies the following:

- The directors will have the right to receive from the Company allowances for attending the meetings of the Board of Directors and the Committees of which they form part at all times, consisting of a fixed annual amount that will be determined by the General Shareholders' Meeting.
- The General Shareholders' Meeting may also establish the bases for the periodic review and update of the amount referred to in the previous paragraph. Said amount, thus updated, if applicable, will be applicable as long as they are not modified by a new resolution of the General Shareholders' Meeting.
- Additionally, the directors will receive timely compensation for travel expenses arising from attending the meetings of the Board of Directors and the Committees of which they form part.

A.2 Explain the remuneration policy of the Company. This heading will include information on: Information on the preparatory work and the decision-making process that has been followed to determine the remuneration policy and the role played, if applicable, by the Remuneration Committee and other control bodies in the configuration of the remuneration policy. This information will include, where appropriate, the mandate and composition of the Remuneration Committee and the identity of the external advisers whose services have been used to define the remuneration policy.

Likewise, the nature of the directors who, where appropriate, have participated in the definition of the remuneration policy will be stated.

Explain the process to determine the remuneration policy

According to article 15 of the Regulations of the Board of Directors of Lar España, the composition of the Appointments and Remuneration Committee will be made up of a minimum of three and a maximum of five directors, appointed by the Board of Directors itself, from among the external directors, at the proposal of the President of the Council. The majority of the members of the Appointments and Remuneration Committee will be independent directors. The Board of Directors will also appoint its Chairman from among the independent directors who form part of said committee.

In accordance with this and since its constitution, the composition of the Appointments and Remuneration Committee during 2014 has been the following:

- Mr. Roger Maxwell Cooke (President)
- D. Alec Emmott (Vocal)
- Mr. Miguel Pereda Espeso (Member)
- Mr. Juan Gómez-Acebo Sáenz de Heredia (Non-director Secretary)

A.3 Indicate the amount and nature of the fixed components, with a breakdown, where appropriate, of the remuneration for the performance of functions of the senior management of the executive directors, of the additional remuneration as chairman or member of any committee of the board, the allowances for participation in the board and its commissions or other fixed remuneration as a director, as well as an estimate of the fixed annual remuneration to which they give rise. Identify other benefits that are not paid in cash and the fundamental parameters for which they are granted.

Explain the fixed components of remuneration

According to article 27 of the Regulations of the Board of Directors and article 40 of the Bylaws of Lar España, directors will have the right to receive allowances for attending meetings consisting of a fixed annual amount per director that will be established by the general meeting of shareholders. Shareholders can also decide when or for what reason said amount can be periodically reviewed and / or updated.

- The remuneration of the directors (excluding the Chairman and the proprietary director) has been € 50,000 for the 2014 financial year.
- The remuneration of the Chairman for the financial year 2014 has been € 60,000.
- The proprietary director has not received any remuneration for his membership of the Board of Directors of Lar España.

It should be noted that Lar España does not have any executive director on its Board of Directors.

A.4 Explain the amount, nature and main characteristics of the variable components of the remuneration systems.

In particular:

Identify each of the remuneration plans of which the directors are beneficiaries, their scope, their approval date, implementation date, period of validity as well as their main characteristics. In the case of stock option plans and other financial instruments, the general characteristics of the plan will include information on the conditions for exercising said options or financial instruments for each plan. Indicate any remuneration for profit sharing or bonuses, and the reason why they were awarded.

Explain the fundamental parameters and rationale for any annual bonus system.

The types of directors (executive directors, external proprietary directors, external independent directors or other external directors) who are beneficiaries of compensation systems or plans that incorporate variable compensation.

The basis of said variable remuneration systems or plans, the performance evaluation criteria chosen, as well as the components and evaluation methods to determine whether or not said evaluation criteria have been met and an estimate of the absolute amount of the variable remuneration to those that would give rise to the current remuneration plan, depending on the degree of fulfillment of the assumptions or objectives that it takes as a reference.

Where appropriate, information will be provided on the payment deferral or postponement periods that have been established and / or the retention periods for shares or other financial instruments, if they exist.

Explain the variable components of the remuneration systems

During 2014, Lar España did not have a variable remuneration system.

A.5 Explain the main characteristics of long-term savings systems, including retirement and any other survival benefit, partially or totally financed by the company, whether internally or externally endowed, with an estimate of its amount or equivalent annual cost, indicating the type of plan, if it is a contribution or defined benefit, the conditions for the consolidation of economic rights in favor of directors and their compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

Also indicate the contributions in favor of the director to defined contribution pension plans; or the increase in the consolidated rights of the director, in the case of contributions to defined benefit plans.

Explain long-term savings systems

During 2014, none of the directors of Lar España has benefited from long-term savings systems, including retirement or any other survival benefit, financed in whole or in part by the Company.

A.6 Indicate any compensation agreed or paid in the event of termination of duties as director.

Explain the compensation

During 2014, none of the directors of Lar España has received any compensation for the termination of their functions as director.

A.7 Indicate any compensation agreed or paid in the event of termination of the functions as director. Indicate the conditions that must be respected in the contracts of those who exercise senior management functions as executive directors. Among others, information will be provided on the duration, the limits to the compensation amounts, the permanence clauses, the notice periods, as well as the payment as a substitute for the aforementioned notice period, and any other clauses related to hiring bonuses, as well as as indemnities or shields for early resolution or termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreements of non-competition, exclusivity, permanence or loyalty and post-contractual non-competition.

Explain the conditions of the contracts of the executive directors

Lar España has not had any executive director during 2014.

A.8 Explain any supplementary remuneration accrued to directors as consideration for services rendered other than those inherent in their position.

Explain the supplementary remuneration

During 2014 the directors of Lar España have not provided any service other than those inherent to their position.

A.9 Indicate any compensation agreed or paid in the event of termination of the functions as director. Indicate any remuneration in the form of advances, credits and guarantees granted, indicating the interest rate, its essential characteristics and the amounts eventually returned, as well as the obligations assumed on their behalf as a guarantee.

Explain the advances, credits and guarantees granted

During 2014 the directors of Lar España have not received any remuneration in the form of an advance, credit or guarantee.

A.10 Explain the main characteristics of remuneration in kind.

Explain the remuneration in kind

Lar España was incorporated on 01/17/2014 and during 2014 it did not have a remuneration policy in force. During 2014 Lar España has established the remuneration of its directors according to what is established in Article 27 of the Regulations of the Board of Directors, which specifies the following:

- The directors will have the right to receive from the Company allowances for attending the meetings of the Board of Directors and the Committees of which they form part at all times, consisting of a fixed annual amount that will be determined by the General Shareholders' Meeting.
- The General Shareholders' Meeting may also establish the bases for the periodic review and update of the amount referred to in the previous paragraph. Said amount, thus updated, if applicable, will be applicable as long as they are not modified by a new resolution of the General Shareholders' Meeting.
- Additionally, the directors will receive timely compensation for travel expenses arising from attending the meetings of the Board of Directors and the Committees of which they form part.

A.11 Indicate the remuneration accrued by the director by virtue of the payments made by the listed company to a third entity in which the director provides services, when said payments are intended to remunerate the services of the director in the company.

Explain the remuneration accrued by the director by virtue of the payments

Mr. Alec Emmot has received all of his remuneration as Director of Lar España through the company Europroperty Consulting.

A.12 Any other remuneration concept different from the above, whatever be it its nature or the entity of the group that satisfies it, especially when it is considered a related transaction or its issuance distorts the true image of the total remuneration accrued by the director.

Explain the other remuneration items

Lar España has not remunerated its directors during 2014 with any other remuneration concept other than those mentioned above.

A.13 Explain the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and adjust it to the objectives, values and long-term interests of the company, which will include, where appropriate, a reference a: measures envisaged to guarantee that the remuneration policy addresses the long-term results of the company, measures that establish an adequate balance between the fixed and variable components of remuneration, measures adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile, Recovery formulas or clauses to be able to claim the return of the variable components of the remuneration based on the results when such components have been paid based on data whose inaccuracy has later been demonstrated in a manifest way and measures provided to avoid conflicts of interest, in Their case.

Explain the actions taken to reduce the risks

During 2014, Lar España has not established any variable remuneration system for any of its directors, therefore there is no exposure to risks derived from it.

B REMUNERATION POLICY FOR FUTURE YEARS

- B.1 Make a general forecast of the remuneration policy for future years that describes said policy with respect to: fixed components and variable allowances and remuneration, relationship between remuneration and results, forecast systems, conditions of executive director contracts, and forecast of more significant changes in the remuneration policy with respect to previous years.**

General forecast of the remuneration policy

Lar España has defined its remuneration policy, which will be approved by both the Board of Directors and the Shareholders' Meeting in ordinary call in 2015.

- B.2 Explain the decision-making process for the configuration of the remuneration policy envisaged for future years, and the role played, if applicable, by the remuneration committee.**

Explain the decision-making process for the configuration of the remunerations

Lar España's remuneration policy has been drawn up by the Appointments and Remuneration Committee with the external advice of Ernst & Young, SL.

- B.3 Explain the incentives created by the company in the remuneration system to reduce exposure to excessive risks and adjust it to the objectives, values and long-term interests of the company.**

Explain the incentives created to reduce risks

The remuneration policy of the Board of Directors of Lar España is based on the principles of transparency, moderation, compensation for dedication and correspondence with the evolution of results, for which the remuneration of administrators will in any case keep a reasonable proportion with the importance of society, the economic situation it had at all times and the market standards of comparable companies.

The remuneration system established by Lar España's remuneration policy is aimed at promoting the profitability and long-term sustainability of the company, and incorporating the necessary precautions to avoid excessive assumption of risks and the reward of unfavorable results.

C GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE FINANCIAL YEAR ENDED

- C.1 Briefly explain the main characteristics of the remuneration structure and concepts of the remuneration policy applied during the year ended, which gives rise to the detail of the individual remuneration accrued by each of the directors that are reflected in section D of this report, as well as a summary of the decisions taken by the council for the application of said concepts.**

Explain the structure and remuneration concepts of the remuneration policy applied during the year

Lar España was incorporated on 01/17/2014 and during 2014 it did not have a remuneration policy in force. During 2014 Lar España has established the remuneration of its directors according to what is established in Article 27 of the Regulations of the Board of Directors, which specifies the following:

- The directors will have the right to receive from the Company allowances for attending the meetings of the Board of Directors and the Committees of which they form part at all times, consisting of a fixed annual amount that will be determined by the General Shareholders' Meeting.
- The General Shareholders' Meeting may also establish the bases for the periodic review and update of the amount referred to in the previous paragraph. Said amount, thus updated, if applicable, will be applicable as long as they are not modified by a new resolution of the General Shareholders' Meeting.
- Additionally, the directors will receive timely compensation for travel expenses arising from attending the meetings of the Board of Directors and the Committees of which they form part.

D

DETAIL OF THE INDIVIDUAL REMUNERATION EARNED BY EACH OF THE DIRECTORS

Name	Typology	Accrual period 2014
Mr. José Luis del Valle Doblado	Independent Director (Chairman)	February-December 2014
Mr. Pedro Luis Uriarte Santamarina	Independent Director	February-December 2014
D. Roger Maxwell Cooke	Independent Director	February-December 2014
D. Alec Emmott	Independent Director	February-December 2014
Mr. Miguel Pereda	Proprietary director	February-December 2014

D.1 Complete the following tables regarding the individualized remuneration of each of the directors (including the remuneration for the exercise of executive functions) accrued during the year.

Name	salaries	Diet Remuneration <small>fixed</small>		Retribution variable a short term	Retribution variable a long term	Remuneration by belonging to commissions of tip	Compensation	Expenses for trip + others*	Total year 2014	Total year 2013
Mr. José Luis del Valle Doblado	0	0	€ 60,000	0	0	0	0	0	€ 60,000	0
Mr. Pedro Luis Uriarte Santamarina	0	0	€ 50,000	0	0	0	0	0	€ 50,000	0
D. Roger Maxwell Cooke	0	0	€ 50,000	0	0	0	0	100	€ 50,100	0
D. Alec Emmott	0	0	€ 50,000	0	0	0	0	2,110	€ 52,110	0
Mr. Miguel Pereda	0	0	€ 0	0	0	0	0	0	0	0

a) Remuneration accrued in the company that is the subject of this report:

- i. Remuneration in cash (in thousands of €)**
- ii. Share-based compensation systems**
- iii. Long-term savings systems**

b) Remuneration accrued by the directors of the company for their membership on boards of other group companies:

i. Remuneration in cash (in thousands of €)

Name	salaries	Remuneration fixed	<small>Subsistence allowance</small>	Retribution variable short term	Retribution variable long term	Remuneration by belonging to commissions of tip	Compensation	Others concepts	Total year 2014	Total year 2013
Mr. José Luis del Valle Doblado	0	0	0	0	0	0	0	0	0	0
Mr. Pedro Luis Uriarte Santamarina	0	0	0	0	0	0	0	0	0	0
D. Roger Maxwell Cooke	0	0	0	0	0	0	0	0	0	0
D. Alec Emmott	0	0	0	0	0	0	0	0	0	0
Mr. Miguel Pereda	0	0	0	0	0	0	0	0	0	0

ii. Share-based compensation systems

iii. Long-term savings systems

c) Summary of remuneration (in thousands of €):

The summary should include the amounts corresponding to all the remuneration items included in this report that have been accrued by the director, in thousands of euros. In the case of long-term Savings Systems, the contributions or endowments made to this type of systems will be included:

Name	Remuneration accrued in the Company				Remuneration accrued in group companies				Totals		
	Total Retribution metal	Amount of the actions awarded	Benefit gross of the options exercised	Total exercise 2014 society	Total Retribution metal	Amount of the actions awarded	Benefit gross of the options exercised	Total exercise 2014 group	Total exercise 2014	Total exercise 2013	Input to the systems from saving during the exercise
Mr. José Luis del Valle Doblado	€ 60,000	0	0	€ 60,000	0	0	0	0	€ 60,000	0	0
D. Pedro Luis Uriarte Santamarina	€ 50,000	0	0	€ 50,000	0	0	0	0	€ 50,000	0	0
D. Roger Maxwell Cooke	€ 50,100	0	0	€ 50,100	0	0	0	0	€ 50,100	0	0
D. Alec Emmott	€ 52,110	0	0	€ 52,110	0	0	0	0	€ 52,110	0	0
Mr. Miguel Pereda	0	0	0	0	0	0	0	0	0	0	0

D.2 Report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the entity, explaining, where appropriate, how the variations in the performance of the company have been able to influence the variation in the remuneration of the directors .

During 2014 Lar España did not have any variable remuneration system for any of its directors.

D.3 Report on the result of the consultative vote of the general meeting on the annual report on remuneration for the previous year, indicating the number of negative votes that have been cast, if any:

	Number	% about him total
Votes cast	N / A	N / A

	Number	% about him total
Negative votes	N / A	N / A
Votes in favor	N / A	N / A
Abstentions	N / A	N / A

AND OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding the remuneration of directors that has not been included in the rest of the sections of this report, but that is necessary to include in order to collect more complete and reasoned information on the structure and remuneration practices of the company in relationship with your advisors, briefly detail them.

This annual remuneration report has been approved by the company's board of directors, at its meeting held on ...

Indicate whether there have been directors who have voted against or abstained in relation to the approval of this Report.

Yes No

Lar España plans its first shareholders' meeting in April 2015.