

Lar España Real Estate SOCIMI, S.A.

Internal Code of Conduct in the Securities Markets



Madrid, 27 December 2017

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1. PURPOSE

This restated text of the Internal Code of Conduct in the Securities Markets (hereinafter, the "**Code**") was approved by the Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, the "**Company**") at their meeting held on 27 December 2017, pursuant to the mandate established in section 225.2 of the restated text of the Securities Market Law approved by Legislative Royal Decree 4/2015, of 23 October (hereinafter, the "**SML**") in Regulation 596/2014 of the European Parliament and of the Council, of 16 April, on market abuse (hereinafter, the "**MAR**") and their implementing regulations.

The purpose of this Code is to set forth the rules of conduct that must be observed by the Company, its administrative bodies, employees and other affected persons in their activities in relation to the securities market, pursuant to the terms of the MAR, the SML and their implementing regulations.

2. DEFINITIONS

For the purposes herein, the following terms are defined:

- **Top Management:**

Any members of management that have regular access to Inside Information related directly or indirectly to the Company, as well as the power to adopt management decisions that affect the future evolution and business prospects of the Company.

- **External Advisors:**

Any natural persons or legal entities (and, in the latter case, the managers or employees thereof), that, while not holding the status of Lar España Group employees, provide advisory, consulting or similar services to the Company or to any of its subsidiaries and that, as a result thereof, have access to Inside Information and that, due to their profession, are not already bound by a legal confidentiality obligation.

- **Confidential Documents:**

Support materials - written, in electronic format or any other kind- regarding Inside Information, which shall be strictly confidential in nature.

- **Lar España Group:**

The Company and any subsidiaries and associates thereof, should there be any, subject to the situation set forth in section 42 of the Commercial Code.

- **Material Fact:**

Any notification of Inside Information that securities issuers are required to disclose immediately to the market, by means of notification to the Spanish National Securities Market Commission (**Comisión Nacional del Mercado de Valores, or "CNMV", Spanish acronym**), in accordance with the applicable legislation.

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- **Inside Information:**

Inside Information shall be construed as any information of a specific nature that refers directly or indirectly to one or more Marketable Securities or Financial Instruments issued by any Group company or by issuers outside the Group or to the issuer of said Marketable Securities or Financial Instruments, which has not been disclosed to the public and that, in the event that it is disclosed, could influence in a significant manner the prices of such Marketable Securities or Financial Instruments or, if applicable, of financial derivatives related thereto.

Information shall be deemed of a specific nature if it indicates a series of circumstances that arise, or could reasonably be expected to arise, or an event that has occurred, or could reasonably be expected to occur, when such information is sufficiently specific as to make it possible to extract a conclusion on the effects that such circumstances or such event could have on the prices of the relevant Marketable Securities or Financial Instruments or, where applicable, the derivatives related thereto.

In this regard, as it is a process that goes on over time designed to generate or attain an outcome consisting of certain circumstances or a certain event, both the future circumstance or event and the intermediate stages of the process leading to the generation or triggering of said future circumstance or event may be considered to constitute such specific information.

A intermediate stage of a process that goes on over time will be considered Inside Information if, by itself, it meets the criteria related to Inside Information mentioned in this Code.

Likewise, any information which, were it to be made public, could have a significant effect on the prices of the Securities or Financial Instruments or, if applicable, of financial derivatives related thereto, will be considered information that a reasonable investor would probably use as one of the basic elements of motivation for making investing decisions.

- **Insiders:**

Each of the persons, including External Advisors who, on a temporary basis, have access to Inside Information due to their participation or involvement in an operation during the time they appear on the Insider List for said project.

Insiders will cease to be considered as such as of such time as the Inside Information that gave rise to the creation of the Insider List is disseminated on the market by means of the mandatory notification in accordance with the applicable regulations and, in any event, when notified by the Compliance Manager.

- **Subject Parties:**

The following shall be considered Subject Parties:

1. Members of the Company's Board of Directors and, if not members, except for the purposes of paragraph 4.3 below, the Secretary and Vice-Secretary of the Board of Directors, as well as the Secretary General of the Company and the legal counsel of the Board of Directors (when such offices are not also held by the Secretary);
2. The Company's Top Management;
3. The company, Grupo Lar Inversiones Inmobiliarias, S.A. (hereinafter referred to as either "**Grupo Lar**" or the "**Investment Manager**"), the Key Persons and the members of the

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Management Team appointed by the Investment Manager pursuant to the terms and conditions of the (*Investment Manager Agreement*) entered into by the Company and Grupo Lar.

4. The managers and employees of both the Company and the Lar España Group companies that are identified as such and that perform their duties in areas related to securities markets or that regularly have access to Inside Information and, in all cases, parties belonging to the Secretary General, Financial Management and Business Management departments in the Company; and
5. Any other individual that is included within the scope of application of the Code at the discretion of the Compliance Manager, in view of the circumstances of each case.

- **Related Parties:**

In relation to the Subject Parties, the following shall be considered Related Parties:

1. The spouse or person considered to have an equivalent relationship according to national legislation in force;
2. dependent offspring;
3. any other relatives that have lived with the Subject Party for one year prior to the date on which a transaction is conducted;
4. any legal entity or trust or association in which the Subject Party or the individuals defined in the preceding paragraphs hold(s) a management position or which such parties are in charge of managing; or any that is directly or indirectly controlled by said person; or that was created to their benefit; or whose financial interests are, to a great extent, equal to those of said person; and
5. any other individuals or entities that may be given this status under the legal provisions valid at any given time.

- **Compliance Manager**

The individual appointed by the Audit and Control Committee to perform the duties entrusted to them in virtue of the terms set forth herein.

- **Marketable Securities or Financial Instruments:**

Marketable Securities or Financial Instruments shall be defined as:

1. Bonds and equities issued by any Lar España Group company that are traded on an official secondary market or other regulated markets, in multilateral trading systems or in other organised secondary markets (hereinafter, these shall all be referred to as "**secondary markets**").
2. Financial instruments and agreements of any kind that grant the holder the right to acquire the aforementioned securities, including those that are not traded in secondary markets.

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3. Financial instruments and agreements, including those that are not traded in secondary markets, the underlying basis of which are securities or instruments issued by any Lar España Group company.
4. Solely for the purposes of section 5 herein ("Rules of Conduct regarding Inside Information"), any securities or financial instruments issued by other companies or entities regarding which Inside Information is held.

3. SCOPE OF APPLICATION

Unless expressly indicated otherwise, this Code shall apply to the Subject Parties.

The Compliance Manager shall at all times maintain an up-to-date list of the Parties Subject to this Code, and the corresponding Related Persons.

4. RULES OF CONDUCT REGARDING OPERATIONS ON ONE'S OWN BEHALF

4.1 Prohibition of resale

Under no circumstances can the Marketable Securities and Financial Instruments acquired be sold on the same day as that on which the purchase transaction was made.

4.2 Restricted activity periods

Subject Parties shall refrain from carrying out any transaction on their own behalf or on behalf of others, directly or indirectly, in relation to Marketable Securities and Financial Instruments during the 30 calendar days prior to the date of publication of the quarterly, half-term and annual interim reports that the Company must send to the CNMV and the Stock Exchange Regulatory Bodies (the "**Restricted Periods**").

The provisions of Sections 5.1 and 6.1 of this Code and other applicable legislation notwithstanding, the Compliance Manager may grant the Subject Parties express authorisation to operate during Restricted Periods, if the Subject Party shows that the specific transaction cannot be carried out at any other time, in any of the following circumstances:

- (i) on a case-by-case basis, when there are exceptional circumstances, such as the existence of serious financial difficulties, that require the immediate sale of Marketable Securities and Financial Instruments;
- (ii) when transactions are negotiated in the context of, or in relation to, an options or savings plan for employees or in relation to the classification or subscription of shares; or
- (iii) when transactions are negotiated in which there is no change in the ultimate holder of the Marketable Securities and Financial Instruments in question.

The Compliance Manager can issue bans on transactions with Marketable Securities and Financial Instruments for some or all of the Subject Parties or require that they be subject to prior authorisation by the former during the period of time established by the Compliance Manager, when the circumstances so justify. In this case, the party empowered to authorise the personal transactions of the Compliance Manager in relation to Marketable Securities and Financial Instruments shall be the Chairman of the Board of Directors.

4.3 Disclosure obligations

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The persons included in points 1, 2 and 3 of the definition of Subject Parties established in Section 2 above, as well as their Related Parties, will notify to the Company and, when required by applicable regulations, to the CNMV any operation involving the Company's Marketable Securities and Financial Instruments carried out on their own behalf. Notifications will be made with the format, content and means established by law at any given time. They will be made without delay and no later than three business days as of the date of the corresponding transaction. The Company will ensure that the information notified in this regard is made public without delay and by the corresponding deadline.

Meanwhile, Subject Parties other than those indicated in the foregoing paragraph, as well as their Related Parties, as of the date as they hold such status, must inform the Compliance Manager in writing of any transaction in relation to the Company's Marketable Securities and Financial Instruments, conducted on their own behalf. This notification will be made within five business days after the transaction takes place. The notification must include the following information:

1. The name of the Subject Party and, where appropriate, the Related Party's name.
2. The grounds for the disclosure obligation.
3. The description of the Marketable Security or Financial Instrument.
4. The nature of the transaction.
5. The date and market in which the transaction took place.
6. The price and volume of the transaction.

As an exception to the above, Subject Parties will not be obliged to make the above notification when, in the same calendar year, the total amount of the transactions with Marketable Securities and Financial Instruments carried out on the party's own behalf does not exceed 5,000 euros or any higher amount that, provided it does not exceed 20,000 euros, may be set by the CNMV. The 5,000 euro threshold will be calculated by adding up all the transactions referred to in the foregoing section, without offsetting different kinds of transactions against each other (transactions involving trades in different directions).

4.4 Portfolio Management

The provisions of Section 4.3 notwithstanding, the regime envisaged in this Section 4 will not be applicable to transactions on behalf of Subject Parties carried out by a third party in the context of a provision of investment services consisting of discretionary portfolio management, provided that:

1. **No prior notice:** there is no prior notice of the transaction between the portfolio manager and the Subject Party. The Compliance Manager may request a declaration in this regard.
2. **Contents of the discretionary portfolio management agreements:** the agreement was sent to the Compliance Manager in advance and he/she confirmed that:
 - (i) The agreement warrants that the manager acting on behalf of his/her principal, but as an independent professional, and establishes some of the following conditions:

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- a. The manager shall be expressly prohibited from performing investment transactions with the Marketable Securities and Financial Instruments.
 - b. There must be an absolute and irrevocable guarantee that the transactions shall be performed with not intervention whatsoever from the Subject Parties and, therefore, they shall take place exclusively according to the professional criteria of the manager and in accordance with the guidelines applied for clients in general with similar financial and investing profiles.
- (ii) In the event the agreement does not expressly prohibit the manager from carrying out transactions in relation to Marketable Securities and Financial Instruments in accordance with section (i)(a) above, the agreement envisages the obligation for the manager to immediately inform the Subject Party of the execution of said transactions so that the Subject Party can comply with its communication obligation pursuant to the provisions of Section 4.3 above.
3. **Notification:** Subject Parties that enter into discretionary portfolio management agreements must send a copy of such agreement to the Compliance Manager within five business days after signature thereof. If the Compliance Manager has justified reasons to judge that the agreement does not comply with the terms set forth herein, such party shall notify the Subject Party in order for the latter to amend the relevant aspects of the agreement. Until such amendments are made, the Subject Parties shall instruct the manager not to conduct any transactions whatsoever with the Marketable Securities and Financial Instruments.
 4. **Reporting to the manager:** Subject Parties must ensure that the securities portfolio manager is aware of the rules of conduct applicable to the Subject Parties and of the fact that the manager must act accordingly. Subject Parties shall be responsible for assessing the advisability of terminating any said agreement in the event of a breach of the terms and conditions set forth herein by the manager.
 5. **Prior agreements:** Agreements entered into by the Subject Parties prior to the time this Code becomes valid must be adapted to the terms herein and, in the meantime, the terms set forth in the preceding paragraph regarding the prohibition to conduct transactions with Marketable Securities and Financial Instruments shall apply.

The obligations envisaged in sections 2(ii), 3 and 5 above will also apply to Related Parties who have entered into a discretionary portfolio management agreement so that they can comply with their information obligations in accordance with Section 4.3 above.

Subject Parties will notify Related Parties in writing of the obligations of the latter derived from Sections 4.3 and 4.4, using the standard form contained in **Annex 3** and will keep a copy of said notification.

5. RULES OF CONDUCT REGARDING INSIDE INFORMATION

5.1 General principles

Persons in possession of Inside Information will be obliged to:

- a. Safeguard it, notwithstanding their duty to communicate and collaborate with legal and administrative authorities under the terms set forth in the SML, the MAR and other legislation;

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- b. Take appropriate measures to prevent the Inside Information from being subject to abusive or unfair use;
- c. Notify the Compliance Manager immediately of any abusive or unfair use of Inside or Relevant Information that comes to their attention.

5.2 Prohibition on operating with Inside Information

Subject Parties in possession of any kind of Inside Information:

1. Shall refrain from acquiring, transferring or assigning, directly or indirectly, on their own behalf or on behalf of others, any Marketable Securities and Financial Instruments or any other security, financial instrument or agreement of any kind, marketable or a secondary market or otherwise, whose underlying values are Marketable Securities and Financial Instruments, to which the Inside Information refers. An operation with Inside Information will be that which involves using this kind of information to cancel or modify an order in relation to the Marketable Security and Financial Instrument to which the information refers, when the order was given before the interested party had knowledge of the Inside Information. They will also refrain from making any attempt to perform any such transactions.

As an exception, they shall be allowed to prepare and perform transactions, the existence of which in itself constitutes the Inside Information, as well as transactions conducted in the fulfilment of an expired obligation to acquire or transfer such Marketable Securities and Financial Instruments, when such obligation is set forth in an agreement entered into before the Subject Party was privy to the Inside Information. Any transactions conducted in accordance with applicable regulations shall also be allowed.

2. Said Inside Information shall not be disclosed to third parties unless it is necessary in the course of performing their work, profession, office or duties in a responsible manner, and under the requirements set forth herein.
3. They will not recommend to third parties or induce them to acquire, transfer or assign Marketable Securities and Financial Instruments or to cancel or modify an order in relation thereto, or to have another party acquire, transfer or assign or cancel or modify an order in relation to the same, based on Inside Information.

Subsequent disclosure of such recommendations or inducements will also constitute unlawful communication of Inside Information when the person disclosing the recommendation or inducement knows, or should know, that it was based on Inside Information.

When the party is a legal person, this section will also apply to any natural persons who participate in the decision to acquire, transfer or assign, or cancel or modify an order in relation to Marketable Securities and Financial Instruments on behalf of the legal person in question.

4. In general, the provisions set forth in applicable regulations and in this Code of Conduct must be complied with.

5.3 Legitimate conduct

For the purposes of the provisions of the foregoing paragraphs, unless the CNMV determines that there are no legitimate grounds for carrying out the transaction in question,

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a person in possession of Inside Information will not be considered to have operated with it in the following cases:

1. Provided said person carries out a transaction to acquire, transfer or assign affected Marketable Securities and Financial Instruments and this transaction is carried out in good faith in accordance with a due obligation and not to elude the prohibition on operations with Inside Information, and:
 - (a) said obligation is derived from an order given or an agreement entered into prior to the date the person in question became aware of the Inside Information; or
 - (b) said transaction is in order to comply with a legal or regulatory provision that is prior to the date the person in question became aware of the Inside Information.
2. In general, provided the transaction is carried out in accordance with the applicable regulations.

This section will not apply to transactions or orders arising from the execution by the Company or share buyback or share stabilisation programmes, provided the legally established provisions in this regard are complied with.

5.4 Measures for the protection of the Inside Information

During the assessment or trading stages of any legal or financial transaction that could notably influence the price of Marketable Securities and Financial Instruments of any kind issued by the Company:

1. Access to the information shall be limited strictly to those people, whether internal or external to the organisation, to whom it is essential.
2. The Compliance Manager shall create and maintain a Insider List stating the identity of all persons who have access to the Inside Information (hereinafter, the “**Insider List**”).

The content and format of the Insider List will be in accordance with the applicable rules. In any event, the Insider List will be prepared and maintained in electronic format using the templates contained in **Annex 4**.

The Insider List will be divided into separate sections that will correspond to different Inside Information. Each section will only include the data of the persons who have access to the Inside Information corresponding to said section.

The Company may insert a supplementary section into the Insider List with the data of the persons who have permanent access to Inside Information. In this case, the persons recorded in said section will not be recorded in other sections of the Insider List.

This Insider List must be updated immediately in the following cases:

- a. whenever there is a change in the reasons for which a party appears in the Insider List;
- b. whenever it is necessary to add another person to the Insider List; and
- c. whenever a person included in the Insider List ceases to have access to the Inside Information, in which case a note shall be made of the date on which such circumstance occurred.

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The details filed in the Insider List shall be kept for at least five years after the creation date or the latest modification date, should there be any.

The Compliance Manager shall expressly inform the parties included in the Insider List of the restricted nature of the information and of their duty of confidentiality as regards said information, the prohibition to use it and of the violations and penalties involved in illicit use thereof. Furthermore, the Compliance Manager must inform the interested parties of their inclusion in the Insider List and of the other points set forth in the data protection legislation.

3. The necessary security measures shall be established with the aim of ensuring the safekeeping, filing, access, reproduction and distribution of Inside Information in accordance with the rules on restrictions contained in this Code.
4. The Compliance Manager or the party or parties appointed by the former to such end, shall supervise market trends of the Marketable Securities and Financial Instruments issued by the Company and the news that professional financial reporters and the broadcast media issue that may affect such Securities and Instruments.
5. In the event that any abnormal trends occur in the volumes contracted or the trading prices and there is rational evidence to believe that such trends are occurring as a result of premature, partial or distorted disclosure of Inside Information, the Compliance Manager, after consulting the Chairman of the Board, shall take the necessary measures to immediately publish a Material Fact that provides a clear and precise report on the status of the transaction in progress or that contains a preview of the information to be supplied.

5.5 Release of Inside Information

The Company will release the Inside Information that concerns it directly as soon as possible. It will ensure that the Inside Information is released in a manner that facilitates rapid access and full, correct and appropriate evaluation of the information by the public. The contents of the notice must be accurate, clear and complete, so as not to lead to confusion or deceit.

Material Facts shall be accessible on the Company's corporate website as soon as they have been reported to the CNMV.

The Compliance Manager, or the person or persons appointed by such party to such end, shall periodically supervise the contents of the Company's corporate website to ensure that they meet said requirement and, in general, all the disclosure requirements deriving from the Company's status as a listed company.

The Compliance Manager, after consulting with the Chairman of the Board of Directors, shall confirm or deny, as the case may be, the published information about circumstances that are deemed as Material Facts.

In order to ensure that the Inside Information is transmitted to the market in a balanced and fair manner, the Subject Parties or the Insiders shall refrain from furnishing information considered as a Material Fact which has not previously or simultaneously been furnished to the market in general to analysts, shareholders, investors or the press.

The Subject Parties shall endeavour to use the greatest possible diligence in adequately preserving the Confidential Documents and keeping them in a strictly confidential manner, so

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that the ordinary pricing of the Marketable Securities and Financial Instruments is not affected by third-party knowledge.

External Advisors must previously sign a confidentiality agreement in order to gain access to the Confidential Documents, in which they are notified of the nature of the information furnished to them and the obligations undertaken in this regard, as well as the inclusion of their personal details in the Insider List.

5.6 Delay in the release of the Inside Information to the public

The above notwithstanding, the Company may, on its own responsibility, delay the public release of the Inside Information, provided (i) the immediate release could harm the legitimate interests of the Company, (ii) the delay in releasing it will not mislead or confuse the public and (iii) the Company is in a position to guarantee the confidentiality of the information.

The Company may also delay the public release of the Inside Information on its own responsibility where it affects a process occurring over time involving different stages designed to generate or attain an outcome involving certain circumstances or a specific event.

In the event it delays the release of the Inside Information, the Company will inform the CNMV immediately after the information is released and will present a written explanation on how the conditions established in this section were complied with, unless the CNMV stipulates that issuers only have to supply this information at its request.

In order to determine whether or not the public release of the Inside Information is to be delayed, all recommendations and guidelines issued by the official supervisory bodies of the securities markets will be taken into consideration.

If, after having delayed the public release of the Inside Information, its confidentiality cannot be guaranteed, the Company will make the information public as soon as possible (even in cases in which a rumour refers expressly to Inside Information whose release has been delayed when the extent of the rumour is sufficient to indicate that confidentiality can no longer be guaranteed).

6. RULES OF CONDUCT IN RELATION TO MARKET MANIPULATION

6.1 Market manipulation prohibition

Subject Parties shall refrain from manipulating or attempting to manipulate the market. Market manipulation shall be understood as:

1. Issuing orders or performing transactions in the market or any other conduct that:
 - (a) transmits or could transmit false or misleading signs as to the supply, demand or price of the Company's Marketable Securities and Financial Instruments.
 - (b) fixes or could fix the price of one or more of the Company's Marketable Securities and Financial Instruments at an abnormal or artificial rate,

unless the party conducting the transactions or issuing the orders or acting in any other way shows that the operation, order or conduct was performed for legitimate reasons and in line with market practices accepted by the CNMV.

The intervention of one or more persons acting in conjunction to ascertain a controlling position over the supply and demand of a Marketable Security or Financial Instrument,

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which results or could result in direct or indirect purchase or sale price fixing or other unfair trading conditions.

Issuing orders or performing transactions or any other conduct that affects or may affect the price of one or more Marketable Securities or Financial Instruments, by means of fictitious devices or any other manner of deceit or scheming.

Broadcasting over any media, including the Internet, or by any other means, information that sends or could send false or misleading signs as to the supply, demand or price for Company's Marketable Securities and Financial Instruments, or thus fixing the price of one or more Marketable Securities and Financial Instruments at an abnormal or artificial price, including spreading rumours, when the party that spread such rumours or news knew or should have known that the information was false or misleading.

Disseminate false or misleading information or supply false data in relation to the benchmark indexes when the author of the transmission or supply of data knew or should have known that the information was false or misleading.

The presentation of orders at a trading centre, including the cancellation or modification of the same, by any available trading methods, including electronic means, algorithmic and high frequency trading strategies, leading to any of the effects contemplated in sections 1 or 2 above, leading to:

- (a) a disturbance or delay in the functioning of the trading mechanism used or an increase in the possibility of this occurring;
- (b) identification of authentic orders in a trading mechanism becoming more difficult or an increase in the possibility of this occurring; or
- (c) the creation or potential creation of a false or misleading sign regarding the supply and demand for or price of a Marketable Security and Financial Instrument.

Making use of occasional or periodic access to traditional or electronic communication media to state an opinion about the Marketable Securities and Financial Instruments or, indirectly, about their issuer, after taking a stance on the Security or Financial Instrument and thereafter benefitting from the repercussions of the opinion stated about the price of such Security or Financial Instrument, without at the same time disclosing this conflict of interest to the public in an adequate and effective manner.

Any other action that the Ministry of the Economy, the CNMV or the European authorities associate with or describe as a practice that distorts the free formation of prices.

For the purpose of determining whether a particular conduct constitutes market manipulation, the manipulation indicators envisaged in the regulations in force at any given time will be used.

6.2 Exceptions

The following transactions or orders shall not be included in this section:

1. Those arising from the Company's execution of share buyback or share stabilisation programmes, provided that the statutory conditions for such are met; and
2. in general, any that are conducted in accordance with applicable regulations.

7. RULES REGARDING OWN SHARE TRANSACTIONS

1. For the purposes of the Code herein, own share transactions shall be construed as those conducted directly or indirectly by the Company with the Company's own shares, as well as financial instruments or agreements of any kind, whether or not they are traded in the Stock Market or other organised secondary markets, that grant the right to acquire, or whose underlying basis is, the Company's shares.
2. Own share transactions shall always have legitimate aims, including providing investors with adequate liquidity and depth in trading the Company's shares, implementing own share purchase plans passed by the Board of Directors or by resolutions of the General Meeting of Shareholders, fulfilling legitimate commitments previously undertaken or any other aims allowed under applicable regulations. Under no circumstances shall own share transactions be conducted for the purpose of intervening in the free market price formation process or market manipulation.
3. The Company's own share transactions shall not, under any circumstances, be conducted based on Inside Information.
4. Own share transactions shall be managed in a completely transparent manner as regards the market supervisors and regulatory bodies.
5. As regards own shares, the Financial Management Department shall have the following duties:
 - a. Management of the own shares in accordance with the terms established herein and under applicable regulations, notwithstanding the option to enter into a liquidity agreement with a financial institution in order to independently manage the Company's own shares under the regulations governing these agreements as an accepted market practice.
 - b. Supervising market trends of the Company's shares, informing the Financial Manager of any significant changes in their prices.
 - c. Keeping a record of all the own share transactions approved and performed.
 - d. Periodically informing the Financial Manager about own share transactions performed, and where appropriate, the latter shall report to the CNMV.
6. The Financial Management Department shall undertake a special confidentiality commitment in relation to own share transactions.
7. The Financial Manager shall perform his/her tasks as regard compliance with this section and shall periodically inform the Board of Directors about own share transactions.
8. The Company shall abide by any and all obligations and requirements derived from applicable regulations at any time, in addition to the provisions set forth herein, in its own share transactions.

8. CONFLICTS OF INTEREST

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A conflict of interest is deemed to exist when a Subject Party has any of the following conditions in relation to the entities referred to in this section:

1. The party is a director or Top Management.
2. The party holds significant interests (construed, for companies listed in any official Spanish or foreign secondary market, as those referred to in section 125 SML and the implementation legislation thereof, and for unlisted Spanish or foreign companies, any direct or indirect holdings of more than twenty percent of the share capital issued).
3. The party has family ties up to the second degree of kinship by marriage or the third degree by birth to its directors, holders of significant interests in its capital or Top Management.
4. The party has relevant direct or indirect contractual relations.

Subject Parties subject to conflicts of interest must observe the following general guidelines for action:

Independence: Subject Parties must act at all times with freedom of opinion, loyalty to the Company and its shareholders and independently of their own or third parties' interests. Consequently, they shall refrain from placing their own interests above those of the Company or those of some investors over others.

Refrainment: They must refrain from intervening or influencing in decision-making processes that could affect the people with whom or entities with which a conflict exists and from accessing Inside Information that affects such conflict.

Notification: Subject Parties must inform the Compliance Manager of any potential conflicts of interest in which they may be involved as a result of their activities outside the Company, their family ties, personal assets or for any other reason, as regards:

- a. The Company or any of the companies pertaining to the Lar España Group.
- b. Significant suppliers or customers of the Company or the companies pertaining to the Lar España Group
- c. Entities that engage in the same type of business as, or are competitors to, the Company or any of the Company's subsidiaries.

Any questions about potential conflicts of interest must be discussed with the Compliance Manager, and the final decision shall correspond to the Audit Committee.

9. CORRESPONDENCE RECORDS AND REGISTER OF ACTIVITIES

The Compliance Manager shall be required to keep duly filed records of the correspondence, notices and any other activities related to the obligations contained herein.

Likewise, the Compliance Manager shall also keep a record of information regarding the Company's Marketable Securities and Financial Instruments held by Subject Parties. At least once a year the Subject Parties shall be asked to confirm the Marketable Securities and Financial Instrument balances contained in the records.

The data in these records shall be strictly confidential. The Compliance Manager shall periodically inform the Board of Directors, via the Secretary thereof, of the contents of such records and any time said body so requests.

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10. SUPERVISION OF COMPLIANCE WITH THE INTERNAL CODE OF CONDUCT

Pursuant to the terms of the Company's Articles of Association and the Board of Directors Regulations, the Audit Committee shall be charged with supervising the actual compliance with the obligations set forth herein, to which end, it is recognised the following powers:

1. To observe and enforce observance of the rules of conduct in the securities markets and the rules in this Code, the procedures therein and any other present or future additional regulations.
2. To foster awareness amongst the Subject Parties of the Code and other rules of conduct in the securities markets.
3. To implement, where appropriate, implementation procedures and rules as deemed fit for application of this Code.
4. To interpret the rules contained in the Code and resolve questions or issues that are put forward by the Subject Parties.
5. To impose disciplinary measures on the Subject Parties for a breach of the rules of this Code.
6. To propose the amendments or enhancements to this Code deemed appropriate to the Company's Board of Directors.

The Audit Committee shall hold all the powers needed to carry out its duties, and shall be especially qualified for the following, among other duties:

1. Demanding any details or information deemed necessary from Subject Parties.
2. Establishing reporting requirements, control rules and other measures deemed appropriate.

The Audit Committee shall inform the Board of Directors annually, or whenever deemed necessary or summoned to do so, of the measures taken to ensure compliance with the terms of the Code, the degree of compliance and the incidents that have arisen and reports filed, where applicable, in the period.

11. REVISION

Pursuant to the terms of the applicable legislation, this Code shall be revised by the Board of Directors whenever it is deemed necessary to adapt its contents to provisions in force that may be applicable, after informing the Audit Committee of such.

12. BREACH

A breach of the terms established in this Code shall give rise to the consequences set forth in valid legislation.

13. ENTRY INTO FORCE

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

This restated text of the Internal Code of Conduct shall remain valid for an indefinite period and shall enter into force on 27 December 2017. The Company's Compliance Manager shall inform the Subject Parties of such circumstance, ensuring that the contents of this Code are known, understood and accepted by all the Subject Parties to whom it applies.

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ANNEXES

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

ANNEX I
COMMITMENT TO REVISE THE LAR ESPAÑA REAL ESTATE SOCIMI, S.A.
INTERNAL CODE OF CONDUCT IN THE SECURITIES MARKETS

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

Mr [•]

COMISIÓN NACIONAL DEL MERCADO DE VALORES

Edison, 4
28006 Madrid

Madrid, on [•] [•] [•]

Pursuant to the terms of section 225.2 of the restated text of the Securities Market Law approved by Legislative Royal Decree 4/2015, of 23 October, Lar España Real Estate SOCIMI, S.A. (the "**Company**") hereby undertakes to revise its Internal Code of Conduct in the Securities Market whenever necessary in order to adapt its contents to any applicable provisions in force, and it also hereby declares that the contents of this Internal Code of Conduct in the Securities Market are known, understood and accepted by all the individuals to whom it is applicable.

Kind regards,

Lar España Real Estate SOCIMI, S.A.

Signed: _____

[Name]

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ANNEX 2
STATEMENT OF ADHERENCE TO THE LAR ESPAÑA REAL ESTATE SOCIMI,
S.A. INTERNAL CODE OF CONDUCT IN THE SECURITIES MARKETS

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

LAR ESPAÑA REAL ESTATE SOCIMI, S.A.
Rosario Pino, 14-16 - 8ª Planta
28020 Madrid

For the attention of the Secretary of the Board of Directors

Dear Sir/Madam,

The undersigned party,, holding Spanish Tax ID....., declares to have received a copy of the Internal Code of Conduct in the Securities Markets from LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (the "**Code**"), and expressly declares that he/she knows the rules contained therein and undertakes to comply with them.

Furthermore, the party also declares that he/she is the direct or indirect holder of the following Related Securities and Financial Instruments (as this term is defined herein):

| Nature of the Security | Issuer | Direct securities | Indirect securities(*) |
|-------------------------------|---------------|--------------------------|-------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

(*) Via:

| Name of Direct Holder of the Security | Tax ID of Direct Holder of the Security | Issuer | Number |
|--|--|---------------|---------------|
| | | | |
| | | | |

Moreover, he/she declares to have been informed of the fact that:

1. Inappropriate use of the Inside Information to which he/she may have access, as well as a breach of the other obligations envisaged in the Code, could be qualified as a serious offence as per section 282 of the restated text of the Securities Market Law approved by Legislative Royal Decree 4/2015, of 23 October ("**SML**"), a major offence as per section 295 of said Law or a crime of insider trading in the stock market as per section 285 of Organic Law 10/1995, of 23 November, of the Criminal Code (the "**Criminal Code**").

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2. Inappropriate use of Inside Information, as well as a breach of the other obligations envisaged in this Code, is punishable in the manner set forth in sections 302 and 303 of the SML and in section 285 of the Criminal Code, with fines, public warnings, dismissal from office and incarceration.
3. Inappropriate use of Inside Information, as well as a breach of the other obligations envisaged in this Code, is punishable in the manner set forth in section 30 of Regulation 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse and its implementing regulations.

Finally, pursuant to the terms established in Organic Law 15/1999, of 13 December, on Protection of Personal Data, the undersigned party has been informed of the fact that his/her personal data, contained in this statement for the purposes of the notifications issued in compliance with the Code, shall be included in an automated file for which LAR ESPAÑA REAL ESTATE SOCIMI, S.A., is responsible, with registered address at calle del Rosario Pino número 14-16, Madrid, for the purposes of compliance with the terms of the Code.

Likewise, the party declares that he/she has been informed of the option to exercise the rights of access, rectification, cancellation or objection based on the terms established in legislation in force in this regard, by contacting the party responsible for the file in writing.

In reference to any data, where applicable, that may have been supplied regarding other individuals, it is stated for the record that they were previously informed of the fact that said data would be handled by LAR ESPAÑA REAL ESTATE SOCIMI, S.A. and of their corresponding rights, in the terms indicated herein above.

In , on 20.....

Signed:

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ANNEX 3
STANDARD FORM FOR NOTIFICATION OF RELATED PARTIES

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

Dear [●]:

In accordance with the legislation in force and pursuant to the provisions of the Internal Code of Conduct in the Securities Markets (the “**Code**”) for LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (the “**Company**”), you are hereby notified that by virtue of [*include relationship by virtue of which the addressee is considered a Related Party in accordance with section 2*] with [*name and surname of the corresponding Subject Party*] [*you qualify as / [name of the legal person, (trust) or association that is considered a Related Party pursuant to section 2*] qualifies as] a closely related party (“**Related Party**”) for the purpose of said regulations and the Code.

In your capacity as Related Party you are, therefore, subject to the regime and obligations that the Code, the restated text of the Securities Market Law approved by Legislative Royal Decree 4/2015, of 23 October (“**SML**”), Regulation 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse (“**MAR**”) and its implementing regulations envisage for those persons who are considered Related Parties.

In particular, Related Parties are subject to the regime for performing operations and the duty of notification envisaged in Article 19 RAM and in Article 4.3 of the Code.

Meanwhile, the relationship linking Related Persons to persons with management responsibilities and by virtue of which you are attributed this status, means that you are particularly exposed to the possibility of being a recipient of inside information (as this term is defined in the applicable regulations and in the Code) on the Company and, in this regard, you are hereby informed that:

- (i) Inappropriate use of the inside information to which you may have access, as well as a breach of the other obligations envisaged in the Code, could qualify as a serious offence as per section 282 of the restated text of the SML, a major offence as per section 295 of said Law or a crime of insider trading in the stock market as per section 285 of Organic Law 10/1995, of 23 November, of the Criminal Code (the “**Criminal Code**”).
- (ii) Inappropriate use of inside information, as well as a breach of the other obligations envisaged in this Code, is punishable in the manner set forth in sections 302 and 303 of the SML and in section 285 of the Criminal Code, with fines, public warnings, dismissal from office and incarceration.
- (iii) Inappropriate use of inside information, as well as a breach of the other obligations envisaged in this Code, is punishable in the manner set forth in section 30 of the MAR and its implementing regulations

Finally, in order to facilitate compliance with said regulations and the provisions of this Code, the object of which is, among other things, to regulate the conduct of Related Parties in their actions related to the securities market, in accordance with the terms of the MAR, SML and related provisions, a copy of the Code is attached hereto.

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In, on

Signed:

[Name and surname of the Subject Person]

[Post of the Subject Person]

I confirm that I have been notified of my obligations as a Related Person under the Code.

Signed:

[Name and surname of the Related Person]

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ANNEX 4
TEMPLATES FOR THE PREPARATION AND MAINTENANCE
OF THE INSIDER LIST

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

TEMPLATE 1

Insider list: section on [name of the inside information related to a specific transaction or a particular event]

Date and time (of creation of this section of the insider list, that is, the moment at which this inside information became known): [yyyy-mm-dd; hh:mm UTC (Coordinated Universal Time)]

Date and time (last update): [yyyy-mm-dd; hh:mm UTC (Coordinated Universal Time)]

Date of notification of the competent authority: yyyy-mm-dd

| First name(s) of the person with access to inside information | Surname(s) of the person with access to inside information | Surname(s) at birth of the person with access to inside information (if different) | Business telephone numbers (direct landline and mobile) | Company name and registered address | Function and reason for access to the inside information | Obtained | End of access (date and time at which the person ceased to have access to the inside information) | Date of birth | National identity number (if applicable) | Personal telephone numbers (landline and mobile) | Full personal address (street; number; city; postcode; country) |
|---|--|--|---|-------------------------------------|--|----------|---|---------------|--|--|---|
| | | | | | | | | | | | |

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TEMPLATE 2

Date and time (of creation of this section of persons with permanent access to inside information): [yyyy-mm-dd; hh:mm UTC (Coordinated Universal Time)]

Date and time (last update): [yyyy-mm-dd; hh:mm UTC (Coordinated Universal Time)]

Date of notification of the competent authority: yyyy-mm-dd

| First name(s) of the person with access to inside information | Surname(s) of the person with access to inside information | Surname(s) at birth of the person with access to inside information (if different) | Business telephone numbers (direct landline and mobile) | Company name and registered address | Function and reason for access to the inside information | Inclusion (date and time of inclusion of a person in the section on persons with permanent access to inside information) | Date of birth | National identity number (if applicable) | Personal telephone numbers (landline and mobile) |
|---|--|--|---|-------------------------------------|--|--|---------------|--|--|
| | | | | | | | | | |