

## EXHIBIT I

### ANNUAL REPORT ON DIRECTOR REMUNERATION AT LISTED COMPANIES

DATA IDENTIFYING THE ISSUER

**FINANCIAL YEAR END:**

12/31/2018

**TAX ID NUMBER (CIF):**

A-86918307

**Registered Business name:**

LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

**Registered Business office:**

Rosario Pino 14-16, Madrid

*English loose translation for information purposes. In case of discrepancy Spanish version shall prevail.*

## ANNUAL REPORT ON DIRECTOR REMUNERATION AT LISTED COMPANIES

### A REPORTING COMPANY'S REMUNERATION POLICY FOR THE YEAR IN PROGRESS

#### A.1 Explain the Company's remuneration policies. The information reported in this section should include:

- General remuneration policy principles and fundamentals.
- The most significant changes in remuneration policy with respect to that applied during the prior reporting period, including any changes made during the year to the terms for exercising stock options already granted.
- Criteria used to determine, and composition of, the groups of comparable companies whose remuneration policies have been examined in the course of establishing the company's remuneration policy.
- The relative importance of the remuneration inputs used to determine fixed pay and the criteria followed to determine the various components of the directors' remuneration packages (remuneration mix).

#### Explanation of the remuneration policy

On April 19, 2018, the Annual General Meeting of LAR ESPAÑA REAL ESTATE SOCIMI approved the new remuneration policy of the Board of Directors, replacing the remuneration policy previously approved on April 28, 2015. This policy determines the remuneration of the directors of Lar España in their capacity as such, within the remuneration system provided for in the bylaws of the company.

The policy is aligned with approved corporate governance rules and recommendations. In its preparation, the significance of the Company, its economic situation, its condition as a Listed Real Estate Investment Company (SOCIMI), the market standards for other Spanish SOCIMIS and Real Estate Investment Trusts (REITs) from the rest of Europe, and the particular dedication of the directors of the Company, were taken in account.

It is up to the Board of Directors to determine the remuneration of each director, to which end it will factor in the duties and responsibilities assigned to each, their membership of Board committees and other circumstances it deems material.

#### General principles

The remuneration policy of the Board of Directors of Lar España is based on the following principles:

- Independent judgment
- Attraction and retention of the best professionals
- Long-term sustainability
- Transparency

- Simplicity and individualization
- Fairness and proportionality of compensation
- Involvement of the Appointments and Remunerations Committee
- Approval of the annual maximum quantity of the directors' remuneration by the General Shareholders' Meeting and delegations in favor of the Board of Directors

### **Most significant changes in remuneration policy with respect to that applied during the prior reporting period**

The prevailing remuneration policy was ratified at the Annual General Meeting held in 2018 and is effective for 2018, 2019, and 2020.

The most significant changes are:

- Increase of the total maximum amount to satisfy from 389,000 EUR to 530,000 EUR (This increase includes the incorporation of an additional Director)
- Increase of the non-proprietary director's fixed remuneration from 60,000 EUR to 70,000 EUR. The Board's Chairman will earn an additional 55,000 EUR up to a total of 125,000 EUR.
- Removal of the minimum board attendance requirement.

The fixed remuneration of the Committee's members established in the old policy will remain the same. No variable remuneration will be contemplated under any circumstances.

These changes have been executed with the aim of increasing the independence and long-term retention and attraction.

### **Criteria used to determine the company's remuneration policy**

The remuneration regime established in the shareholder-approved policy is designed to promote the long-term profitability and sustainability of the company and inject the safeguards needed to prevent the assumption of too much risk or the reward of adverse results.

The guiding principles of director remuneration policy are approved and updated by the Appointments and Remuneration Committee and the Board of Directors with a view to keeping the company's policy in line with market trends and best remuneration practices among competitors. Likewise, during the process of making the Remuneration Policy, Lar España was advised by Mercer Consulting, which analyzed the remuneration system of various SOCIMIs in Spain and REITs in the rest of Europe.

### **The relative importance of variable vs. fixed remuneration items, as well as criteria for determining the different components of board member remuneration packages (remuneration mix).**

The prevailing remuneration policy does not contemplate variable remuneration for directors. In 2018, director remuneration consisted entirely of fixed pay.

**A.2 Explain the Company’s remuneration policies. This section should include information on: A report on the preparatory work and decision-making process behind the design of the remuneration policy and the role played, as warranted, by the remuneration committee and other governing bodies in determining remuneration policy. This information should include, as necessary, the mandate and composition of the remuneration committee and the identity of any external advisers engaged to help define remuneration policy. State also the nature of any directors involved in designing the firm's remuneration policy.**

<b>Explain the remuneration policy design process</b>
---

As per article 15.5.e.ii of the Board Regulations, the Appointments and Remuneration Committee must review the directors' remuneration policy periodically and make proposals for any amendments or updates to the Board of Directors for submission to the company's shareholders in general meeting; this remit includes proposals with respect to the amount directors receive annually. Note that the Appointments and Remuneration Committee submitted a remuneration policy report and proposal, prepared with the assistance of Ernst & Young, S.L., to the Board of Directors in 2015. This policy was then ratified at the Annual General Meeting held on April 19, 2018.

Likewise, during the process of making the Remuneration Policy, Lar España was advised by Mercer Consulting, which analyzed the remuneration system of various SOCIMIs in Spain and REITs in the rest of Europe.

**Composition of the Appointments and Remuneration Committee**

As stipulated in article 15 of the Board Regulations, the Appointments and Remuneration Committee must comprise a minimum of three and maximum of five directors, appointed by the Board of Directors itself, from among its external directors, at the proposal of the Board's Chairman. The majority of the members of the Appointments and Remuneration Committee must be independent directors. The Board of Directors must also appoint a committee chair from among the independent directors comprising the committee.

In 2018, the Appointments and Remuneration Committee was configured as follows:

<b>Name</b>	<b>Position</b>	<b>Type</b>
Roger Maxwell Cooke	Chairman	Independent
Alec Emmott	Member	Independent
Miguel Pereda	Member	Proprietary
Laurent Luccioni	Member	Proprietary
Juan Gómez-Acebo	Secretary	Non-director

In 2018 the majority of the members of the Appointments and Remuneration Committee are not independent directors, although the Company intends to comply with this requirement as soon as vacancies occur in the same, and therefore has not

modified the Regulations of the Board. In this regard, the Company has achieved a differentiation between the Appointments and Remuneration Committee and the Audit and Control Committee (made up of independent Directors) in order to achieve independence between both Committees and a greater participation of all external directors. Notwithstanding, the independence of the decisions of the Committee is guaranteed as there are no executive directors and the Chairman of the Appointments and Remuneration Committee, who is independent, has a casting vote in the event of a draw.

**A.3 Amount of the fixed components, itemized where necessary, of compensation paid to executive directors, and additional compensation for acting as chairman or member of a Board committee, committee attendance fees, and other fixed director payments, as well as with an estimate of the fixed annual payment they give rise to. Mention any other benefits not paid in cash, and other key parameters for granting them.**

<b>Describe fixed remuneration components.</b>
--

As stipulated in Lar España's Director Remuneration Policy approved on April 19, 2018 and in effect for 2018, 2019 and 2020, the fixed components of director remuneration are as follows:

- In relation to the remuneration of the members of the Board of Directors due to their status as such, the Remuneration Policy intends to reward them in an adequate and sufficient manner for their dedication, qualifications and responsibilities, without implying compromising their independence of criteria.
- Apart from proprietary directors, who are not compensated in any way, Lar España's Board of Directors earn a fixed payment of 70,000 per annum. The Chairman earns an additional 55,000€ of the remuneration paid to the remaining Board members (a total of 125,000 euros annually).
- Board members serving on any of the Committees will be compensated with an additional 15,000 euros per year for participating in them. The President of the Audit and Control Committee will earn an additional 7,500 euros annually (a total of 22,500 euros annually) and the President of the Appointments and Remuneration Committee an additional 2,000 euros (a total of 17,000 euros annually).
- Lastly, the members of the Board who, at the appointment of Lar España, hold positions on the boards of company investees may receive additional fixed remuneration for attending those boards' meetings in an amount of 15,000 euros per annum
- Lar España also reimburses its Board members for any travel expenses corresponding to their participation on the Board and Committees.
- Lar España's remuneration policy stipulates, according to the circumstances and composition of the Board back in 2018, a maximum annual amount payable to the Board of Directors of 530,000 euros.

**A.4 The amount, nature, and main characteristics of the variable components of compensation paid to executive directors.**

**In particular:**

- Describe each of the compensation plans benefiting each Board member, their scope, approval and implementation dates, duration, and key characteristics. Information on stock option plans and other financial instrument plans should include their general terms, and information on the conditions for exercising them.
- Indicate any payments made under profit-sharing or bonus schemes, and the reason for their accrual.
- Key parameters and grounds for any system of annual bonuses.
- Types of board members (executive directors, external directors, independent directors, or other executive directors) who are the recipients of remuneration schemes or plans involving variable compensation.
- The basis for these variable remuneration schemes or plans, selection of performance-assessing criteria, as well as the components and methods for determining whether established criteria has been met, as well as an estimated sum total of variable payments arising from the remuneration policy, based on degree of compliance with pre-set targets or benchmarks.
- Where necessary, provide information on deferment or payment instalment plans established, and/or retention periods for any stocks or other financial instruments.

<b>Variable components of remuneration policies</b>
---

The prevailing remuneration policy does not contemplate variable remuneration for directors. However, Lar España's Board Regulations (article 27.5) provide that any variable remuneration tied to the company and/or the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans be confined to executive directors. Non-executive directors may only participate in share-based remuneration schemes provided they retain such shares until the end of their mandate.

Note that Lar España did not have any executive directors in 2018.

**A.5 Chief characteristics of long-term savings plans, including retirement and any other survivor benefits which are partially or entirely financed by the Company, granted internally or externally, including an estimated amount or equivalent annual amount, with indications on plan type, whether defined contribution or defined benefit plans, conditions necessary for consolidating economic rights in favour of board members, and their compatibility with any other types of indemnification arising from early termination of the contractual relationship between the Company and the board member.**

**Also, reflect contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes.**

<b>Long-term savings schemes</b>
----------------------------------

In 2018, none of the Lar España directors benefited from long-term savings plans, including retirement as well as any other survivor benefits partially or entirely financed by the Company.

**A.6 Any severance packages agreed or paid for termination of board member functions.**

**Describe the indemnities**

Pedro Luis Uriarte finished his work as board member of Lar España in October 2018, but he did not receive any indemnities for the termination of his duties.

**A.7 The contractual conditions to be observed by executive directors exercising management functions. Any other clauses covering hiring bonuses, as well as indemnities, golden parachutes, notice periods, in the event of early termination of the contractual relation between the Company and executive director. Include any non-competition, exclusivity, permanence, loyalty, and post-contractual non-competition agreements or pacts.**

**Describe the conditions set forth in executive director contracts**

Note that Lar España did not have any executive directors in 2018.

**A.8 Supplementary income paid to board members arising from other services provided apart from those inherent to the position.**

**Describe supplementary remuneration**

In 2018, the Lar España board members did not provide any services not inherent to their positions.

**A.9 Any severance packages agreed or paid for termination of board member functions. State any compensation in the form of advances, loans, and guarantees granted, indicating interest rate, basic characteristics, and amounts repaid, as well as commitments assumed in the form of guarantees.**

**Advances, loans, and guarantees provided**

In 2018, Lar España board members did not avail themselves of any advances, loans, or guarantees.

**A.10 Key characteristics of remuneration in kind.**

**Describe remuneration in kind.**

In 2018, Lar España board members did not avail themselves of any remuneration in kind.

- A.11 Compensation paid to board members arising from payments by the listed company to a third-party entity to which they currently provide service, when payments are designed as remuneration for services rendered to the company.**

**Compensation paid to board members arising from payments by virtue of payments made by the listed company to a third-party entity in which the board member provides services.**

In 2018, no Lar España directors earned compensation by virtue of payments made by the listed company to a third-party entity in which the board members provide services.

- A.12 Any type of remuneration other than the abovementioned, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its issuing would detract from a true and fair view of the total remuneration received by the director.**

**Describe other items of remuneration**

During 2018, no Lar España board members were remunerated through any other items apart from the abovementioned.

- A.13 Actions adopted by the Company related to its remuneration policy to reduce its long-term exposure to excessive risk, and adjust it to the objectives, value, and interests, to include the following, where appropriate: measures in place to ensure that its remuneration policies are in line with the Company's long-term results, measures establishing a sufficient balance between fixed and variable components, with regard to personnel categories whose professional activities may have material repercussions on the entity's risk profile, collection formulae or clauses designed for claiming the repayment of items of variable remuneration based on results, when the components in question were paid in accordance with data subsequently and manifestly proven to be inaccurate, as well as any measures established to avoid conflicts of interest, where applicable.**

**Actions established to reduce risk**

Within the limits established in the company's Articles of Association and remuneration policy, the Board of Directors shall strive to ensure that director remuneration is established taking into account the dedication, qualifications and

the level of responsibility assigned to the role as well as the experience, duties and tasks performed by each director. In addition, the remuneration should keep a balance between being competitive in the market and internal equity. The remuneration regime established must be designed to promote the long-term profitability, talent attraction and retention as well as long-term sustainability of the company and inject the safeguards needed to prevent the assumption of too much risk or the reward of adverse results.

Moreover, Lar España's remuneration regime does not contemplate any performance-based pay, therefore eliminating the biggest source of remuneration-related risks.

## **B** REMUNERATION POLICIES FORESEEN FOR UPCOMING YEARS

Repealed

## **C** OVERALL SUMMARY OF REMUNERATION POLICY APPROVAL PROCESS DURING YEAR ENDED

### **C.1 Summary of chief characteristics of remuneration structure and concepts applied during the year ended arising in the breakdown of individual compensation accrued by each board member reflected in Section D of this report, as well as a summary of decisions made by the Board of Directors to apply them.**

#### **Remuneration policy structure and concepts applied during the year**

As detailed above, as a result of approval of the remuneration policy at the Annual General Meeting of April 2018, the main policy characteristics and concepts applied during the last fiscal year correspond to the general remuneration policy principles outlined in section A of this report.

- Apart from proprietary directors, who are not compensated in any way, Lar España's Board of Directors earn a fixed payment of 70,000 euros per annum. The Chairman earns an additional 55,000 of the remuneration paid to the remaining Board members (a total of 125,000 euros annually).
- Board members serving on any of the Committees will be compensated with an additional 15,000 euros per year for participating in them. The President of the Audit and Control Committee will earn an additional 7,500 euros annually (a total of 22,500 euros annually) and the President of the Appointments and Remuneration Committee an additional 2,000 euros (a total of 17,000 euros annually).
- Lastly, the members of the Board who, at the appointment of Lar España, hold positions on the boards of company investees, may receive additional fixed remuneration for attending those board meetings in the amount of 15,000 euros per annum.
- Lar España also reimburses its Board members for any travel expenses corresponding to their participation on the Board and Committees.

- The remuneration policy of Lar España includes, according to the circumstances and the composition, at the time of its approval, in 2018, a maximum annual amount to satisfy all the directors of 530,000 euros.
- All principles described previously, have been strictly upheld, having received, all Independent Directors, the remuneration established by the Policy for belonging to the Board its related committees or positions held in Group subsidiaries.

D

BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH BOARD MEMBER

<b>Name</b>	<b>Type</b>	<b>2018 accrual period</b>
José Luís del Valle	Independent Director and Chairman	January-December 2018
Pedro Luis Uriarte	Independent Board Member	January-October 2018
Leticia Iglesias	Independent Board Member	New Appointment (October-December 2018)
Roger M. Cooke	Independent Board Member	January-December 2018
Alec Emmott	Independent Board Member	January-December 2018
Miguel Pereda	Proprietary director	January-December 2018
Isabel Aguilera	Independent Board Member	January-December 2018
Laurent Luccioni	Proprietary Director	January-December 2018

**D.1 Individualized remuneration for each board member (including compensation paid for exercising executive functions) accrued during the year.**

**a) Remuneration accrued in the reporting Company:**

**i. Remuneration in cash (in thousands of euros)**

<b>Name</b>	<b>Salaries</b>	<b>Fixed compensation</b>	<b>Travel expenses</b>	<b>Short-term employee benefits</b>	<b>Long-term employee benefits</b>	<b>Remuneration for membership of Board Committees</b>	<b>Termination benefits</b>	<b>Travel expenses + others*</b>	<b>Total 2018</b>	<b>Total 2017</b>
José Luis del Valle	0	125	0	0	0	15	0	0	140	105
Pedro Luis Uriarte	0	55	0	0	0	18	0	0	73	75
Roger M. Cooke	0	70	0	0	0	17	0	1	88	76
Alec Emmott	0	70	0	0	0	15	0	2	87	80

- ii. Share-based employee benefits**
- iii. Describe long-term savings schemes**

Miguel Pereda	0	0	0	0	0	0	0	0	0	0
Isabel Aguilera	0	70	0	0	0	15	0	0	85	44
Laurent Luccioni	0	0	0	0	0	0	0	12	12	0
Leticia Iglesias	0	15	0	0	0	4	0	0	19	NA

**b) Remuneration accrued by Company board members arising from their membership on other Group Boards:**

**i. Remuneration in cash (in thousands of euros)**

<b>Name</b>	<b>Salaries</b>	<b>Fixed compensation</b>	<b>Travel expenses</b>	<b>Short-term employee benefits</b>	<b>Long-term employee benefits</b>	<b>Remuneration for membership in Board Committees</b>	<b>Termination benefits</b>	<b>Other items</b>	<b>Total 2018</b>	<b>Total 2017</b>
José Luís del Valle	0	0	0	0	0	0	0	0	0	0
Pedro Luis Uriarte	0	0	0	0	0	0	0	0	0	0
Roger M. Cooke	0	15	0	0	0	0	0	0	15	15
Alec Emmott	0	0	0	0	0	0	0	0	0	0
Miguel Pereda	0	0	0	0	0	0	0	0	0	0
Isabel Aguilera	0	0	0	0	0	0	0	0	0	0
Laurent Luccioni	0	0	0	0	0	0	0	0	0	0
Leticia Iglesias	0	0	0	0	0	0	0	0	0	0

**ii. Share-based employee benefits**

**iii. Describe long-term savings schemes**

**c) Summary of remuneration (in thousands of euros)**

**This should include the amounts corresponding to all remuneration concepts accrued by the board member included herein, in thousands of euros. Contributions made or amounts granted for long-term Savings Plans:**

Name	Remuneration accrued in the Company				Remuneration accrued in Group companies				Totals		
	Total compensation paid in cash	Number of shares granted	Gross profit from exercised options	Total 2018	Total compensation paid in cash	Number of shares granted	Gross profit from exercised options	Total 2018 Group	Total 2018	Total 2017	Contributions to savings schemes during the year
José Luís del Valle	140	0	0	140	0	0	0	0	140	105	0
Pedro Luis Uriarte	73	0	0	73	0	0	0	0	73	75	0
Roger M. Cooke	88	0	0	88	15	0	0	15	103	91	0
Alec Emmott	87	0	0	87	0	0	0	0	87	80	0
Miguel Pereda	0	0	0	0	0	0	0	0	0	0	0
Isabel Aguilera	85	0	0	85	0	0	0	0	85	44	0
Laurent Luccioni	12	0	0	0	0	0	0	0	12	0	0
Leticia Iglesias	19	0	0	19	0	0	0	0	19	NA	0

**D.2 The relationship between remuneration earned by board members and other entity performance measures, including how changes in company performance might have influence changes in board member remuneration.**

In 2018, none of Lar España's directors received any variable remuneration so that there is no bearing between the remuneration received by the members of the Board of Directors and the company's earnings or other performance benchmarks.

**D.3 Results on the General Shareholders' advisory vote on the annual report on directors' remuneration from the previous report, indicating number negative votes, where applicable:**

On April 19, 2018, the 2017 annual report on directors' compensation was submitted to an advisory vote during the General Shareholders Meeting as the 9<sup>th</sup> item of the Agenda, with the following outcome:

	<b>Number</b>	<b>% of Total</b>
<b>Total votes</b>	68.853.476	74.3365

	<b>Number</b>	<b>% of total</b>
<b>Votes against</b>	182,336	0.2645
<b>Votes in favour</b>	67,900,388	98.5113
<b>Abstentions</b>	770,752	1.1182

E

OTHER INFORMATION OF INTEREST

**Relevant aspects of director remuneration not reflected in the above sections of this report, yet considered necessary for inclusion so as to provide more comprehensive and reasoned information on the Company's remuneration structure, and its practices with regard to compensating its directors.**

This remuneration report was approved by the Company's Board of Directors, on the proposal of the Appointments and Remuneration Committee, at its meeting held on February 26, 2019.

The Remuneration Policy was approved in 2018, based on the circumstances and composition of the Board at the time, the principles and remunerations established in the policy have been strictly complied with.

**Indicate whether any directors voted against or abstained from voting on the approval of this Report.**

Yes  No