

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MR. ROGER MAXWELL COOKE MBE AS INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX SECTION THREE OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 16 AND 17, 2020, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

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

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

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

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

2. CANDIDATE'S ASSESSMENT

Below is the Board's assessment of the competence, experience and merits of Mr. Roger Maxwell Cooke MBE and his suitability to perform his duties as independent director of the Company, in view of the motivated proposal issued by the Appointments and Remunerations Committee of the Company at its meeting held on 13 February 2020.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on Mr. Cooke's identity, CV and director category. In addition, this report

includes a valuation of the quality of his job and his involvement during his previous office and of eligibility requirements needed to perform the duties corresponding to the Company's directors.

a. Biographical and professional profile

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

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

Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is currently a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since September 2017, Mr. Roger Maxwell is Chairman of the Editorial Board of Iberian Property and since January 2020 is the Chairman of RICS Spain.

b. Membership of other Boards of Directors

Mr. Cooke is not member of the Board of Directors of any listed company other than Lar España. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations, pursuant to which the Company's directors may belong to maximum four Boards of Directors of other listed companies.

c. Quality of his work and involvement

Mr. Cooke was appointed director of Lar España, under the category of independent director, in 2014 and he was subsequently re-elected as such in 2017. Moreover, he currently is member and Chairman of the Company's Appointments and Remunerations Committee.

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

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Roger Cooke is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

Likewise, the Board of Directors appreciates the extensive professional track-record of Mr. Cooke in the real estate industry and considers that Mr. Cooke has the knowledge and experience required for the appropriate performance of his duties as director of the Company.

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

d. Category of director

Mr. Roger M. Cooke MBE will not represent any shareholder on the Board of Directors and will not perform executive duties. Furthermore, the Board has verified that the candidate fulfils the requirements to be considered as independent director according to the provisions of applicable law.

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments and Remunerations Committee's proposal and issues a favourable report on the re-election of Mr. Roger Maxwell Cooke MBE as director of the Company, under the category of independent director, for the statutory term of three years. The Board is convinced that Mr. Cooke will give continuity to the management of the Company and its group carried out to date.

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

"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Roger Maxwell Cooke MBE as member of the Board, under the category of "independent director", for the statutory period of three years."



Madrid, 13 February 2020.

ANNEX

APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL TO THE BOARD OF DIRECTORS IN RELATION TO THE RE-ELECTION OF MR. ROGER MAXWELL COOKE MBE AS INDEPENDENT DIRECTOR OF THE COMPANY

1. INTRODUCTION

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

2. PROPOSAL'S JUSTIFICATION

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

Likewise, the Appointments and Remunerations Committee has evaluated the professional and biographical profile of Mr. Cooke and has assessed his performance as member of the Board of Directors of the Company and member and Chairman of the Appointments and Remunerations Committee.

Mr. Cooke is an experienced professional with more than 30 years of experience in the real estate sector. Mr. Cooke joined Cushman & Wakefield in 1980 in London where he had a role in drafting valuation standards (Red Book). Since 1995 until the end of 2013, he served as Chief Executive Officer of Cushman & Wakefield Spain, leading the company to attain a leading position in the sector. In the 2017 New Year's honours' list, Mr. Cooke was awarded an MBE for his services to British businesses in Spain and to Anglo-Spanish trade and investment. Mr. Cooke holds an Urban Estate Surveying degree from Trent Polytechnic University (Nottingham, UK) and is currently a Fellow of the Royal Institution of Chartered Surveyors (FRICS). Until May 2016, he was the President of the British Chamber of Commerce in Spain. Since September 2017, Mr. Roger Maxwell is Chairman of the Editorial Board of Iberian Property and since January 2020 is the Chairman of RICS Spain.

As for the quality of his work, the Appointments and Remunerations Committee considers that Mr. Cooke has fulfilled his duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third parties' instructions and links. In particular, the Committee appreciates that Mr. Cooke has exercised his duties with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

This same conclusion has been reached during the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019 who, among other issues, has concluded that the Board is in very good standing, is balanced and in line with best corporate governance practices. It is a well-consolidated board, with a unanimous positive perception of all the directors with respect to the rest of the directors and the development of their functions.

Likewise, at the end of 2019, as a result of the evaluation process carried out, and taking into account the best Corporate Governance practices, the recommendations of the CNMV provided for in article 3 of Section 3 of the Technical Guide 1/2019, the general requests of stakeholders and, as provided in article 5 of the new Regulations of the Appointments and Remunerations Committee, the Appointments Committee has been working, in coordination with the Board, on the analysis of the composition of the Board, as well as on the preparation of a matrix defining the necessary competences of the Board for the proper functioning of the Company and the main skills and knowledge of the directors. In this context, at the end of the year a matrix of competencies was approved which summarizes in a very synthetic manner the competences that the Board considers most relevant for the management of the Company, indicating the most outstanding aspects of the profile of each director. As a consequence of such analysis, it is concluded that Mr. Roger Cooke is fully qualified for the position for which he is proposed, being an expert, among others, in matters such as real estate, retail, valuations, ESG, international markets, team and talent management; all of which are competences that the Company considers essential for its good functioning and for the good functioning of the Board as a governing body.

On a separate note, the Appointments and Remunerations Committee has analysed the other offices in which Mr. Cooke serves. Mr. Cooke is not member of the Board of Directors of any listed company other than Lar España. As a consequence, he complies with the limit set out in article 19.4 of the Board of Directors' Regulations. The Committee has also evaluated the director's independence and considers that Mr. Cooke is not involved in any situation that prevent him from performing his duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

In light of the foregoing, the Appointments and Remunerations Committee believes that Mr. Cooke has the appropriate competence, experience and merits to exercise his duties as director of the Company pursuant to applicable law. As a consequence, the Committee submits to the Board of Directors the proposal to re-elect Mr. Roger Maxwell Cooke MBE as director of the Company, under the category of independent director, for the statutory term of three years.



The full text of the proposed resolution is the following:

"Based on the proposal of the Appointments and Remunerations Committee and following the favourable report of the Board of Directors, to re-elect Mr. Roger Maxwell Cooke MBE as member of the Board, under the category of "independent director", for the statutory period of three years."