

REPORT OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A. IN RELATION TO THE PROPOSAL OF RE-ELECTION OF MS. ISABEL AGUILERA NAVARRO AS INDEPENDENT DIRECTOR OF THE COMPANY INCLUDED UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING TO BE HELD ON APRIL 21 OR 22, 2021, ON FIRST AND SECOND CALL, RESPECTIVELY

1. INTRODUCTION

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

In accordance with the provisions of paragraph 4 of the referred 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 Ms. Isabel Aguilera Navarro's office, this report aims to assess her competence, experience and merits, in view of the Appointments and Remunerations Committee's proposal to re-elect Ms. Isabel Aguilera Navarro 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 Ms. Isabel Aguilera Navarro and her suitability to perform her 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 March 18, 2021.

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

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

a. Biographical and professional profile

Ms. Isabel Aguilera Navarro developed her professional career at various companies across several sectors. She served as President for Spain and Portugal at General Electric, General Manager for Spain and Portugal at Google, Chief Operating Officer at NH Hoteles Group, CEO for Spain, Italy and Portugal at Dell Computer Corporation and member of the board of directors at different companies such as Indra Sistemas, Banco Mare Nostrum, Aegon Spain, Laureate Inc., Egasa Group, HPS (Hightech Payment Systems) and, currently, Making Science Group, S.A.

Ms. Isabel has a degree in Architecture and Urbanism from the Escuela Técnica Superior de Arquitectura of Seville, a master's degree in Commercial and Marketing Management from IE, and completed the General Management Programme at IESE and the Executive Management of Leading Companies and Institutions Programme at San Telmo Institute. Ms. Isabel is currently Associate Professor at ESADE and Strategy and Innovation Consultant.

b. Membership of other boards of directors of listed companies

Currently, Ms. Isabel Aguilera Navarro is member of the Board of Directors of the following listed companies:

- Banca Farmafactoring S.p.A.
- Cemex S.A.B.
- Clínica Baviera, S.A.
- Oryzon Genomics, S.A.

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

c. Quality of her work and involvement

Ms. Isabel Aguilera Navarro was appointed as a director of the Company and as a member of the Audit and Control Committee on May 28, 2017, by the Board of Directors through the co-option mechanism. On April 18, 2019, the General Shareholders Meeting of the Company ratified her appointment and approved her re-appointment as director for the statutory period of three years. Currently, Ms. Isabel Aguilera Navarra is a member of the Audit and Control Committee of the Company.

The Board of Directors has analysed the duties performed by Ms. Isabel Aguilera Navarro and her dedication during the previous office and it considers that she has fulfilled her duties with the loyalty of a loyal representative, in good faith, in the best interest of the Company and under the principles of personal responsibility, with freedom of opinion and independence from third

parties' instructions. In particular, the Board of Directors considers that Ms. Isabel Aguilera Navarro has exercised her duties as a director with commitment, diligence and professionalism and has contributed to the activities and meetings of the Board of Directors and its Committees.

To carry out this analysis, the Board of Directors has taken into consideration the result of the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019, as well as the result of the internal analysis carried out by the Company during 2020. In both cases, it was concluded that the Board was in very good standing, and that it was balanced and in line with best corporate governance practices. In summary, the analyses concluded that it is a well-consolidated board, in which all of the directors have a positive opinion of the other directors and the development of their duties.

Moreover, taking into account the competencies matrix that was developed last year by the Appointments and Remunerations Committee in accordance with the third item of Section 3 of the Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), which was reviewed and updated in December 2020, the Board of Directors considers that Ms. Isabel Aguilera Navarro is fully qualified for the position for which she is proposed, being an expert in the matters highlighted in the matrix that is included in the proposal of the Appointments and Remunerations Committee, all of which are matters that the Company considers essential for its proper performance and for the good performance of the Board as a governing body.

Additionally, the Board of Directors values the extensive professional track-record of Ms. Isabel Aguilera and considers that she has the knowledge and experience required for the appropriate performance of her duties as a director of the Company.

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

d. Holdings in the Company

In accordance with the information that has been provided to the Company, Ms. Isabel Aguilera Navarro currently own 2,620 shares in the Company.

e. Director's Category

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

3. FAVOURABLE REPORT

In light of the foregoing, the Board of Directors fully adheres to the Appointments and Remunerations Committee's proposal and issues a favourable report on the re-election of Ms. Isabel Aguilera Navarro as a director of the Company, under the category of independent



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

director, for the statutory term of three years. The Board is convinced that she will provide continuity to the management of the Company and its group.

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

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

Madrid, March 18, 2021

ANNEX

APPOINTMENTS AND REMUNERATIONS COMMITTEE PROPOSAL TO THE BOARD OF DIRECTORS IN RELATION TO THE RE-ELECTION OF MS. ISABEL AGUILERA NAVARRO 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 Ms. Isabel Aguilera Navarro as independent director of the Company for the statutory term of three years to be submitted to the following Ordinary General Shareholders Meeting of the Company.

2. PROPOSAL'S JUSTIFICATION

In view of the upcoming expiry of Ms. Isabel Aguilera'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 Ms. Isabel Aguilera Navarro and has assessed her performance as member of the Board of Directors of the Company and member of the Audit and Control Committee.

Ms. Isabel Aguilera Navarro developed her professional career at various companies across several sectors. She served as President for Spain and Portugal at General Electric, General Manager for Spain and Portugal at Google, Chief Operating Officer at NH Hoteles Group, CEO for Spain, Italy and Portugal at Dell Computer Corporation and member of the board of directors at different companies such as Indra Sistemas, Banco Mare Nostrum, Aegon Spain, Laureate Inc., Egasa Group, HPS (Hightech Payment Systems) and, currently, Making Science Group, S.A.

Ms. Isabel has a degree in Architecture and Urbanism from the Escuela Técnica Superior de Arquitectura of Seville, a master's degree in Commercial and Marketing Management from IE, and completed the General Management Programme at IESE and the Executive Management of Leading Companies and Institutions Programme at San Telmo Institute. Ms. Isabel is currently

Associate Professor at ESADE and Strategy and Innovation Consultant..

In this context, the Appointments and Remunerations Committee has taken into consideration the result of the evaluation process of the Board and its functioning carried out by an independent external advisor in 2019, as well as the result of the internal analysis carried out by the Company during 2020. In both cases, it was concluded that the Board was in very good standing, and was balanced and in line with best corporate governance practices. In summary, the analysis concluded that it is a well-consolidated board, in which all of the directors have a positive opinion of the other directors and the development of their duties.

Moreover, this Committee considers that Ms. Isabel Aguilera Navarro is fully qualified for the position for which she is proposed, being an expert, among others, in the matters highlighted in the competencies matrix that is attached to this proposal as an Annex, all of which are matters that the Company considers essential for its proper performance and for the good performance of the Board as a governing body. The referred matrix was developed last year by this Committee in accordance with the third item of Section 3 of the Technical Guide 1/2019 of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*), and was reviewed and updated in December 2020.

On a separate note, the Appointments and Remunerations Committee has analysed the other offices in which Ms. Isabel Aguilera Navarro currently occupies. Taking into account the she is currently a member of the Board of Directors of four listed companies different from Company —this is, Banca Farmafactoring S.p.A., Cemex S.A.B., Clínica Baviera, S.A. and Oryzon Genomics, S.A.— the Committee considers that she complies with 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 she is not involved in any situation that prevent him from performing her duties as director of the Company under the category of independent director.

3. PROPOSED RESOLUTION

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

ANNEX

COMPETENCIES MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

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