

Selection policy, appointment, re-election and evaluation of the directors and diversity of the Board of Directors of Lar España Real Estate SOCIMI, S.A.



Prepared by	Date	Approved by	Date
Corporate Management	28 December 2015	Appointments and Remuneration Committee	20 January, 2016
		Board of Directors	20 January, 2016
Prepared by	Date	Actualization	Date
Legal management	December 2018	Board of Directors	20 December 2018
Legal management	December 2020	Board of Directors	15 December 2020

A free translation from the original in Spanish. In the event of discrepancy, the Spanish version prevails.

CONTENTS

FOREWORD	3
1. PURPOSE	3
2. DIRECTOR APTITUDES	4
3. PROMOTING DIVERSITY ON THE BOARD OF DIRECTORS	6
4. SELECTION, APPOINTMENT PROCEDURE, RE-ELECTION AND	7
EVALUATION OF DIRECTORS	7
4.1. Proposals	7
4.2. Candidacy presentation	7
4.3. Evaluation of the candidacy	8
4.4. Appointment	8
4.5. Ongoing assessment	9
4.6. Updating the knowledge of the members of the Board of Directors	9
4.7. Advice from external professionals	9
5. CONTROL, MONITORING AND POLICY DISSEMINATION	10
APPENDIX I: STATEMENT BY THE DIRECTOR CANDIDATE	11
APPENDIX III: REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE DIRECTOR CANDIDATE	16
APPENDIX IV: QUESTIONNAIRE FOR ASSESSING ONGOING DIRECTOR	18

SELECTION POLICY, APPOINTMENT, RE- ELECTION AND, EVALUATION AND REMOVAL OF THE DIRECTORS AND DIVERSITY OF THE BOARD OF DIRECTORS OF LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

FOREWORD

- The structure and composition of the Board of Directors is a crucial element of strong corporate governance as it shapes its effectiveness and influences the decision-making quality and the ability to effectively champion the company's interests.
- The Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, “**Lar España**” or the “**Company**”) is responsible, among other functions, for ensuring that its director selection procedures foster diversity in terms of gender, age, professional backgrounds and skills and are unbiased so as to prevent discrimination on any grounds; in particular, it must work to facilitate the selection of female directors in a number that will achieve a balanced presence of women and men. Within the framework of this function as well as the provisions of Recommendation 14 of the Code of Good Governance of listed companies (hereinafter, the “**Code of Good Governance**”) and Article 5 of the Regulations of the Board of Directors of the Company (hereinafter, the “**Regulations of the Board**”), the Board of Directors of Lar España approved the Selection Policy at its meeting on 26 January 2016, appointment, re-election, evaluation and removal of the directors of the Company, which was modified in its session on 20 December 2018 as the Policy for the selection, appointment, re-election and evaluation of the Directors and diversity of the Board of Directors of Lar España (hereinafter, the “**Policy**”) and this in turn has been modified and approved in the Board of Directors´ meeting on 15 December 2020 and with and adjustment of 23 February 2021.

1. PURPOSE

- The **purpose** of this policy is to encourage an appropriate composition of the Board of Directors, and in this connection, establish the internal requirements and procedures that the Board of Directors and the Appointments and Remuneration Commission of Lar España must take into account in the processes of selection, appointment, re-election and evaluation of the members of the Board of Directors of the Company, all in accordance with the applicable regulations, the internal rules of the Company and the Recommendations of the Good Governance Code.
- To this end, the Policy **will promote the proper selection of Lar España's directors**, through the pursuit of the following objectives:
 - a. Provision of tangible and verifiable guidance.
 - b. Assurance that resolutions to appoint or re-elect directors are underpinned by prior analysis of the competences required by the Board of Directors.
 - c. Promote diversity of backgrounds and skills, training, age, disability and gender of the members of the Board of Directors of the Company. In order to promote gender diversity, measures will be taken to have a significant number of female senior managers.

- d. A concerted effort to ensure that by 2022 at least 40% of all members of the Board of Directors are female.

2. DIRECTOR APTITUDES

- In the procedures for the selection of Directors, the Board of Directors, the Appointments and Remuneration Committee and the other responsible bodies for the selection of candidates shall take into account, at least, the following **requirements**:
 - **Adequacy of the directors**: The directors of Lar España must at all times meet the conditions of suitability established in the applicable regulations at any given time, and in particular:
 - **Good repute and standing**: Good repute and professional standing to the extent that he or she has consistently demonstrated personal and professional conduct that casts no doubts about his or her ability to manage the company healthily and wisely.

On the other hand, a candidate shall be understood to lack these attributes when:

- i. They have been declared bankrupt or are party to an insolvency agreement, whether in Spain or abroad, without have been discharged or the terms of the agreement fully complied with;
 - ii. They have a criminal record for any of the following crimes: fraud, tax evasion, criminal bankruptcy, disloyal custody of documents, theft of trade secrets, money laundering, embezzlement of public funds, the discovery and disclosure of trade secrets, property-related crime; or
 - iv. They have been banned or suspended, under criminal or administrative law, from holding public office or from administering or managing financial institutions.
- **Adequate expertise and experience**: The Board of Directors of Lar España must comprise people with recognised prestige in their professional field who possess the adequate expertise and experience. However, it is not necessary for all directors to possess the same level of expertise and experience so long as the Board of Directors as a whole has the right combination of both.

Candidates will be considered to **have adequate expertise** if they:

- i. Hold a bachelor's or equivalent undergraduate degree, preferably in any area of expertise related to the economy, business administration or finance; or
- ii. Hold a diploma or equivalent undergraduate qualification, can accredit specialist training in the form of master's programs, post-graduate studies or training programs provided by officially recognized specialist centers in any of the above areas of expertise; or
- iii. Holding a diploma or equivalent undergraduate qualification, has discharged management duties at one or more companies with professional prestige, preferably in the real estate sector, for a period of at least five years.

Candidates will be considered to have **adequate experience** if they:

- i. Has provided his or her services at any entity pursuing an activity that is fully or partially subject to oversight by Spain's Securities Exchange Commission, hereinafter the CNMV for its acronym in Spanish, for at least three years; or
- ii. Has performed governance or senior management duties or duties of comparable complexity to those required at the company, at any entity, whether Spanish or foreign, with professional recognition, preferably in the real estate sector, for at least three years.

Notwithstanding the foregoing descriptions, the Board of Directors and the Appointments and Remuneration Committee would be able to evaluate any other candidate which may be of interest to the Company, expressly stating this circumstance and its justification in the corporate documents drawn up as part of the selection process.

- **Position to govern the company well:** the directors of Lar España must be in a position to discharge their duties and comply with their legally-imposed and bylawstipulated duties with due diligence and as a loyal representative, bearing in mind the nature of the position and the duties associated with each. In particular, it will be evaluated:
 - i. The candidate's ability to devote the time and effort necessary to carry out the position effectively, respecting in all cases the maximum number of positions established in the Company's internal regulations at any given time.
 - ii. The presence of potential conflicts of interest arising from past or present professional experience and positions held by the candidate or, as the case may be, any kind of personal, professional or economic relationship with other directors or significant shareholders of the Company or its Group companies.
- o **Commitment to the fulfilment of the duties and obligations of the directors:** in the proposals for the re-election of members of the Board of Directors, the commitment shown by the director during his mandate with the Company and with the fulfilment of his duties as a director will be assessed. In particular:
 - i. Directors must devote sufficient time to the company and adopt appropriate measures for ensuring the Company's correct management and control.
 - ii. In carrying out their duties, the directors are duty-bound to demand and are entitled to get from the Company the level of information they need to correctly fulfil their obligations.
 - iii. Directors must devote sufficient time to becoming informed, to familiarizing themselves with the Company's paradigm and business performance and to participating in the meetings of the Board of Directors and any of the committees on which they sit.
 - iv. The directors must inform the other members of the Board of Directors of any direct or indirect conflicts they or their related parties may have vis-à-vis the Company's interests.

A free translation from the original in Spanish. In the event of discrepancy, the Spanish version prevails.

- The foregoing requirements shall apply to all members of the Board of Directors of Lar España, regardless of their category on the Board. In addition, candidates for the position of independent director **must meet the independence requirements** set forth in the Spanish Companies Act and Lar España's internal regulations.

Likewise, in the event that the director is a legal entity, the criteria and requirements set forth in this Policy shall also be applicable to the individuals representing them, who **must meet the legal requirements established for directors**.

- Without prejudice to the foregoing, the selection processes for directors in Lar España must take into account any other requirements established in the applicable regulations at any given time, as well as those determined by the Appointments and Remuneration Committee, as the case may be.

3. PROMOTING DIVERSITY ON THE BOARD OF DIRECTORS

- In the selection of candidates proposed as directors of the Company, **the composition of the Board of Directors and its Committees as a whole must also be taken into account, based on their functions and also on the characteristics of the Company and its Group.**
- To this end, in the candidate selection process, **the integration into the Board of Directors of directors with sufficient diversity of training, experience and knowledge, gender, age or disability must be considered**, in order to meet the legal requirements and good governance recommendations in relation to the composition and singular suitability that the members of the Board of Directors and of the different internal supervisory committees of the Board of Directors (Audit and Control Committee and Appointments and Remuneration Committee) must have, in such a way that their composition reflects a diverse group in order to achieve a diversity of points of view and experience.
- In this regard, the Board of Directors of Lar España will ensure that the procedures for selecting its members **promote diversity of knowledge and experience, training, age, disability and gender of the directors**, and that they do not suffer from implicit biases that may imply any discrimination and, in particular, that facilitate the selection of female directors in a number that will achieve a balanced presence of women and men.

In particular, the Board of Directors of Lar España will promote the objective that the number of female directors represents at least 40% of the total members of the Board of Directors in 2022, it must also ensure cultural diversity and the presence of members with international knowledge and experience.

- In particular, with respect to the Audit and Control Committee, the process of selecting candidates must take into account the specific requirements established by law and through recommendations, ensuring that its members as a whole, in addition to its Chairman, have specific knowledge of accounting, auditing, risk management and control, both financial and non-financial, and internal control matters, and, to the extent possible, experience in information technologies that facilitate the supervision of risk control and management systems.
- As regards the Appointments and Remuneration Committee, the candidate selection process will take into account knowledge and experience in areas such as human resources, the selection of

directors and managers and the design of policies and remuneration plans, as well as sectorial expertise or international experience.

4. SELECTION, APPOINTMENT PROCEDURE, RE-ELECTION AND

EVALUATION OF DIRECTORS

4.1. Proposals

- The Appointments and Remuneration Committee will first analyze the competences required by Board of Director's, setting out its findings in the report or Committee proposal which it will publish on the occasion of the call to the Annual General Meeting at which the shareholders will be asked to ratify the appointment or re-election of each director, to which end:

- i. It will evaluate the universe of skills, knowledge and experience needed on the Board of Directors. Against this backdrop, it will define the duties and aptitudes required of the candidates to fill each vacancy and assess the time and dedication needed so that they can duly perform their remit, ensuring that non-executive directors have sufficient time available for the proper performance of their duties.

To this end, the Committee will draw up and regularly update a matrix with the necessary competences of the Board that defines the skills and knowledge of the candidates for board members, especially those executive and independent directors.

- ii. It will establish a targeted level of representation for the gender in minority on the Board of Directors and will establish guidelines for how to achieve this target.

4.2. Candidacy presentation

- The Appointments and Remuneration Committee will seek for its assessment, the following **information**, among others that may consider appropriate, about the candidates:

- i. **Candidates indication data:**

- **Natural persons:** a photocopy of their national identity card or passport and information about their effective place of residence, e-mail address and contact telephone number(s).
- **Legal persons:** a photocopy of the corresponding deeds of incorporation, the consolidated text of the prevailing bylaws, e-mail address and contact telephone number(s).

- ii. **Its knowledge of the company's bylaws as well as other internal rules and regulations and acceptance of their terms and conditions**, for this purpose a declaration may be requested in accordance to the model attached as Appendix I.

- iii. **Its possession of adequate knowledge and experience for the performance of the position**, evaluating their curriculum or other documentation that the candidate could provide. In particular, the Committee may request to the candidate a certification in the terms of the model attached as Appendix I.

- iv. **Its readiness and ability to govern the Company well.** The Committee may request to the candidate a certification in the terms of the form attached as Appendix I.

- v. **Attendance of the reputation and professional standing** in the candidate required in this policy. In this sense, the Committee may request to the candidate a certification in accordance to the form attached as Appendix II.

4.3. Evaluation of the candidacy

- Having verified the information and documentation received and once the seven working day period for correcting or clarifying the information furnished has elapsed, if required, **the Appointments and Remuneration Committee shall issue its reasoned proposal, in the case of independent directors, or justification report in the case of directors of other categories, and can use in this respect the model attached as Appendix III** and follow the procedure described next:

- i. In the event that the Appointments and Remuneration Committee believes that the candidate presents the required aptitudes, it will submit a proposal for his/her appointment/re-election accompanied by a copy of the information received to the Board of Directors.

In this case, whenever possible, the Appointments and Remunerations Committee will inform the candidate before proposing their appointment to the Board of Directors, on what is expected of him in terms of dedication and commitment to the Company and participation, where appropriate, in the Board's advisory Committees.

- ii. If the Appointments and Remuneration Committee: (a) has reasonable doubts about whether the proposed candidate meets all of the requirements envisaged in this policy or in applicable legislation; (b) feels that the appointment of the proposed candidate could imply substantial impairment of the expertise and experience of the members of the Board of Directors appraised as a whole; or (c) believes that the proposed candidate does not meet one or more of the requirements established in this policy or applicable legislation for qualification as apt for the post, it shall send the Board of Directors a report substantiating the circumstances which in its opinion cast doubt over the candidate's suitability or give rise to its negative assessment, accompanied by a copy of the information received.

4.4. Appointment

- The Board of Directors then has 30 working days to analyze the independent director appointment proposals, or the favorable reports in the case of directors of other categories, made by the Appointments and Remuneration Committee after which it must submit the corresponding resolutions to the shareholders for approval in general meeting. In the event of the **re-election of directors**, before proposing the re-election of directors to the General Shareholders' Meeting and with the abstention of the directors concerned, the Board of Directors shall evaluate the quality of the work and dedication to the position of the directors proposed during the preceding mandate.
- In the event of a **new director's appointment by means of co-option**, the procedure to be followed is the one described in the previous sections, and the appointment approved by the Board of Directors must be ratified by the first General Shareholders' Meeting held after their appointment.

- At the time of appointment of a new director, he must follow an **orientation programme** for new directors established by the Company, so that he may acquire a rapid and sufficient knowledge of the Company, as well as of its rules of corporate governance.

4.5. Ongoing assessment

- Ongoing assessment shall take two forms:

i. Annual assessment of director qualifications:

In the framework of the periodic evaluation of Board and its Committees, the Appointments and Remuneration Committee shall annually review the continuity of compliance with the suitability requirements of the directors, for which purpose it may send all the directors a evaluation questionnaire, the purpose of which is to verify that they continue to meet the aptitudes required of the post, the model attached as Appendix IV can be used.

The Appointments and Remuneration Committee will then analyze the information received and proceed as follows in the event it detects an incident in this respect.

ii. Ad-hoc assessment in the event of special circumstances

Each director is individually responsible for notifying the Appointments and Remuneration Committee immediately, in writing and in detail of any event or circumstances that could have a significant impact on the assessment of his or her suitability for the post in terms of the aptitude requirements defined in this policy and in prevailing legislation. In addition, the directors are liable for any damages to the Company caused by any failure to report or delay in reporting any circumstances affecting his or her suitability.

Whenever the Appointments and Remuneration Committee is notified of circumstances which adversely affect a director's suitability assessment or it learns of their existence as part of an annual review, it will decide whether or not it is necessary to temporarily or permanently suspend the affected party.

4.6. Updating the knowledge of the members of the Board of Directors

- In order to maintain and update the suitability of the directors, a plan shall be established so that they may receive training in the matters deemed appropriate at Board meetings, or by any other means, also encouraging the implementation of programmes to update the knowledge of the company's directors when circumstances so advise.

4.7. Advice from external professionals

- For the best performance of its functions, the Appointments and Remuneration Committee may seek the advice of external professionals when it deems it necessary and, in particular, the hiring at Lar España's expense of legal and human resources advisors or other experts in the matter of the selection of directors.
- In this case, the Committee should transparently record any relationship or situation of conflict of interest that affects the external advisors, asking them to detail in their service proposals all possible conflicts with the Company or its directors.

5. CONTROL, MONITORING AND POLICY DISSEMINATION

- Within the framework of its function of supervising compliance and periodically reviewing the Company's internal corporate governance regulations, in accordance with the provisions of the Regulations of the Board of Directors of Lar España, the Audit and Control Committee shall be responsible for the periodic supervision of the content, application and development of this Policy, informing the Company's Board of Directors and being able to propose any proposals for improvement it deems appropriate.
- Without prejudice to the foregoing, the Appointments and Remuneration Committee shall annually verify compliance with the Policy, ensuring in particular compliance with the criteria for promoting diversity in the composition of the Board of Directors included in the Policy, and shall inform the Board of Directors thereof. All of this shall be reported in the Company's Annual Corporate Governance Report.

APPENDIX I: STATEMENT BY THE DIRECTOR CANDIDATE

In ***, on *** ** 20**

I, Mr./Ms.***, with national identity card/passport/tax identification number ***, in my capacity as candidate for a directorship at Lar España Real Estate, SOCIMI, S.A. (“**Lar España**”), solemnly

DECLARE

- 1° That I have received a full copy of the bylaws and internal rules and regulations, which I have read and fully accept; I am, furthermore, familiar with the rights and obligations deriving therefrom and from prevailing legislation in the event I am appointed director.
- 2° That I have the professional standing required by the regulations in force and by the Policy for the selection, appointment, re-election and evaluation of Directors and diversity of the Board of Directors of Lar España ("**Selection Policy**") and to comply with the rules and guidelines set forth in said selection policy.

{In the event that you have been processed for an offence not itemized in Lar España's selection policy, please state the reason for the fine or offence and a summary of the case, attaching a copy of the sentence, and how the issue was resolved}

- 3° That I have completed the following studies or training, itemizing the corresponding undergraduate or post-graduate degree, academic institution and the date on which the degree was obtained.
- 4° That I have the expertise and experience required under prevailing legislation and Lar España's selection policy.
- 5° That I am in a position to govern Lar España in such a way as to oversee and uphold the company's business performance having the capacity to devote to its function the time and effort necessary to carry out the position effectively and avoid conflicts of interest that could harm the common good.

{To this end, this declaration must itemize the personal, professional and/or business relations between the candidate and his/her related parties on the one hand and the other members of the Board of Directors, on the other, along with a list of the entities in which he or she holds or has held a directorship or similar position as well as a list of their other professional obligations.}

Lastly, I declare that all the information presented here is accurate and complete and that I have not omitted any information that would cast it in a different light.

In witness whereof and so that it may be included in the file pertaining to my candidacy as director of Lar España, I hereby sign this declaration in the place and on the date first indicated above.

Signed:

Appendix II: Questionnaire designed to determine the professional standing of director candidates

1. To be filled out by directors, managing directors and professionals in equivalent posts:

Data identifying the director, managing director or professional holding an equivalent position (for natural persons and the representatives of legal-person directors):

First and last name:

National identity card/Passport/Residence permit number:

Address:

Telephone number:.....

Fax number:

E-mail address:

Legal person represented, if appropriate:

Data identifying the director (for legal persons):

Registered name:

Tax ID no. (CIF in Spain or equivalent number for non-Spanish legal persons):

Registered address:

Telephone number:

Internet website:

Represented by:

First and last name:

National identity card/Passport/Residence permit number:

Address:

Telephone number:

Fax number:

E-mail address:

Position held at or relationship with the acquiring company:

Instructions for filling out the form

This questionnaire should be filled out by the directors, managing directors or equivalent on record in the collective investment scheme's inscription in the corresponding CNMV Register and on the occasion of appointments, subsequent to the entity's inscription in the

CNMV Register, of new directors, managing directors and professionals holding equivalent positions and on the occasion of the designation of the natural person representing a legal-person director.

The questions relate to business activities carried on in Spain and abroad and to circumstances, events and situations that, in keeping with corresponding national law, are, or have been, analogous to those contemplated in this questionnaire in relation to Spain and Spanish law.

All pages of the questionnaire must be signed. Answers must be marked with an “X” and in the event of affirmative and/or blank responses must be accompanied by the corresponding explanation on the enclosed sheet, similarly witnessed, which may be supported by whatever documentation is deemed necessary.

If the response to question (9) is affirmative, please state the authority to have performed the corresponding assessment and provide the related supporting documentation.

If the response to questions (2), (3), (4), (6), (7) or (8) is affirmative, you must state whether the penalty or sentence is final. If, as warranted, or additionally, the company assessed was one you run or control, or the penalty was imposed on such a company, you must answer yes to the above-listed questions, additionally indicating the corresponding company or companies. In the event that a senior executive of a company you run or control has been sentenced or penalized, you must answer yes to questions (2), (3), (4), (5), (6), (7) and (8), indicating such circumstances and identifying the party sentenced or penalized and the name of the company at which he or she is a senior executive.

1. Have you ever been fired, discontinued or asked to step down as employee, governor, director or manager of a financial institution or investment vehicle?

YES NO

2. Are you banned from holding public office or from administering or managing financial institutions?

YES NO

3. Have you ever been the subject of a serious and/or very serious administrative penalty in connection with any of the following matters:

Banking and finance ordinance YES NO

Tax matters YES NO

Social security YES NO

Employment law YES NO

Corporate law YES NO

Unfair competition or market abuse YES NO

Cross-border capital flows and financial transactions YES NO

Money laundering or terrorist financing YES NO

Consumer protection YES NO

Data protection YES NO

4. Have you ever been penalized or are you currently subject to any disciplinary action for breach of the code of conduct, internal rules of conduct or equivalent code to which you were bound?

YES NO

5. Have you a criminal record for any crime committed with gross negligence or intent?

YES NO

6. Have you ever been subject to court penalties in bankruptcy matters, whether (i) due to professional disqualification under the prevailing Spanish Bankruptcy Act (Law 22/2003 of 9 July 2003) during the disqualification period established in the bankruptcy ruling; or (ii) due to your status as undischarged bankrupt or party to an insolvency agreement in the case of bankruptcy proceedings processed prior to effectiveness of the above-mentioned Act; or (iii) due to analogous situations in keeping with the national law of other countries?

YES NO

7. Are you party to any manner of court, bankruptcy or administrative disciplinary proceedings related to the matters itemized in questions (8) and (9) above?

YES NO

8. Are you being prosecuted or, in the case of the proceedings referred to in titles II and III of book IV of Spain's Criminal Prosecution Act, have you been indicted?

YES NO

9. Has any other remedial or disciplinary measure been handed down against you by a financial institution supervisory authority or in the field of money laundering or terrorist financing or is any such measure currently being processed?

YES NO

10. In the event that you are a national of a country that is not a European Union member state, have you been negatively assessed by any body with authority in your country over anti-money laundering and counter-terrorist financing regulations or by an international organism responsible for application of such regulations?

YES NO

A free translation from the original in Spanish. In the event of discrepancy, the Spanish version prevails.

An explanation to the affirmative and/or blank responses is attached in accompanying sheet(s)

An additional explanation is provided in accompanying sheets to enable an adequate assessment of my suitability

I SOLEMNLY DECLARE that the statements made in this questionnaire are accurate and I authorize the CNMV to consult as many public records as are necessary to certify this fact.

I also hereby DECLARE that, as of ...{DATE}...., I have been duly empowered to sign this document (legal-person representatives).

In , on 20

Signed:

APPENDIX III: REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE DIRECTOR CANDIDATE

I, Mr./Ms. ***, Secretary of the Appointments and Remuneration Committee of Lar España Real Estate SOCIMI, S.A. (“**Lar España**”), hereby certify:

1. That the Appointments and Remuneration Committee met on *date*, in ***, as called by its Chairman in keeping with the Internal Operating Regulations of the Board of Directors and the Policy for the Selection, Appointment, Re-election and Evaluation of Directors and Diversity of the Board of Directors (“**Selection Policy**”) established by Lar España.
2. That such meeting took place having received the director candidate's candidacy information
3. That the meeting of the Appointments and Remuneration Committee was attended by *** of its *** members. Members *** justified their absence on the grounds of ***.
4. Following due debate, the Appointments and Remuneration Committee, with *** members (*state their names*) voting in favor, *** members (*state their names*) voting against and *** members abstaining from voting (*state their names and the reason for abstaining*), ratified the following resolution:

Alternative 1: favorable resolution

First.- To positively assess the suitability of the candidate for appointment as director of Lar España on the terms established in the director selection policy.

In this respect, it was deemed that the proposed candidate: (i) presents a track record of good professional and business standing such as to dispel any doubt as to his/her ability to manage Lar España healthily and wisely; (ii) has adequate expertise and experience; and (iii) is in a position to govern Lar España well; further we did not detect any factors indicating the existence of conflict of interests with Lar España or the inability to devote sufficient time to his/her duties.

Second.- To notify all those involved in the Board of Directors of the possible new incorporation of a member in the development and proper functioning of the Board of Directors of Lar España, once the appointment, as the case may be, has been approved by the General Shareholders' Meeting [or the Board of Directors in the case of cooptation].

Third.- To notify the candidate for information purposes only.

Alternative 2: unfavorable resolution

First.- To find against the suitability of Mr./Ms. *** as director of Lar España under the terms established in prevailing legislation on the following grounds:

[Stipulate the reasons]

Second.- To notify Mr./Ms. *** of this ruling, for the purposes of her knowledge.

A free translation from the original in Spanish. In the event of discrepancy, the Spanish version prevails.

To certify this resolution for the record, I hereby issue this report in *** on *** *** 20*** with the approval of the Chairman of the Appointments and Remuneration Committee.

Mr./Ms. ***

Chairman of the Appointments and
Remuneration Committee

Mr./Ms. ***

Secretary of the Appointments and
Remuneration Committee

**APPENDIX IV: QUESTIONNAIRE FOR ASSESSING ONGOING DIRECTOR
SUITABILITY**

In ***, on *** ** 20**

I, Mr./Ms. ***, with national identity card/ tax identification number ***, under the scope of the annual review of the continued fulfilment of the director suitability prerequisites of Lar España Real Estate, SOCIMI, S.A. (“**Lar España**”), hereby solemnly

DECLARE

Question	Yes¹	No
Do you remain in good professional and business standing?		
Have you been handed down any sentence or ruling in any criminal or administrative proceeding that was at the discovery or initial stages at the time of the last review?		
Has any criminal action been initiated against you for alleged crimes or offences?		
Has any disciplinary action been initiated against you for any of the offences itemized in the suitability requirement rules?		
Have you initiated personal, business or professional relations with other directors that could adversely affect the company's governance?		
Has the number of companies or entities at which you are director or equivalent increased since the last review?		
Has the average number of meetings held each year by the governing bodies of the above companies or entities increased with respect to that last declared by you?		
Has your professional activity changed in any way?		

In witness whereof and so that it may be included in the file pertaining to my directorship at Lar España and accessed as required under the procedure contemplated in the Policy for the selection, appointment, re-election and evaluation of the Directors and diversity of the Board of Lar España, I hereby sign this declaration in the place and on the date first indicated above.

Signed:

¹ As warranted, in the event of an affirmative response, state the change arising and briefly explain its impact