

# **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 AN EXTERNAL INDEPENDENT DIRECTOR OF THE COMPANY UNDER ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON MARCH 30 AND 31, 2023, ON FIRST AND SECOND CALL, RESPECTIVELY**

## **1. INTRODUCTION**

This supporting 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 an external independent director of the Company.

In accordance with the provisions of paragraph 4 of said article, the Appointments, Remunerations and Sustainability 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 in view of the forthcoming expiry of Mr. Roger Maxwell Cooke's office, the purpose of this report is to assess the proposal of the Appointments, Remuneration and Sustainability Committee to re-elect Mr. Roger Maxwell Cooke as a director of the Company, as well as his competence, experience and merits. The aforementioned proposal of the Nomination, Remuneration and Sustainability Committee is attached as an **Annex** to this report.

As an introduction to this report, it should be noted that at the end of 2022, the Board unanimously agreed to implement a **plan for the orderly and staggered renewal of the Board**, which in the short term, and more specifically through the General Meetings of 2023 and 2024, will allow full compliance with the 40% quota of women on the Board established by Recommendation 15 of the Code of Good Corporate Governance of Listed Companies ("**CBG**"), without affecting compliance with the other recommendations related to the structure and

composition of the Board of Directors. This plan affects the continuity in office of two independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director) and Mr. Roger Maxwell Cooke (independent Director), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence. In this way, **the Board has the objective of complying with recommendation 15 of the CBG in 2024** and all the directors, who share this objective, have personally assumed the commitment to adopt as many measures as necessary or convenient to facilitate this. In particular, it is envisaged that in 2024, Mr. Alec Emmott will complete his term of office. Alec Emmott will end his connection as a director of the Company, thus facilitating compliance with the 40% quota of women next year, and Mr. Roger Cooke will do so in 2025, also facilitating the staggered renewal of the Board, but guaranteeing, at all times, the appropriate stability in the composition of the Board of Directors and its Committees in order to maintain the suitability of the Board as a whole and preserve the experience and knowledge of those who have been serving as directors.

## **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, Remunerations and Sustainability Committee of the Company at its meeting held on 23 February 2023.

For the purposes of article 518.e) of the Spanish Companies Law, this report contains complete information on Mr. Roger 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 40 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 and a member of its European Advisory Board. He is also a member of the Executive Committee of the British Hispanic Foundation and in January 2022 he joined the Real Estate Observatory as editorial advisor.

**b. Membership of other Boards of Directors of listed companies**

Mr. Cooke is not a 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 in regulated markets (other than the Company) in Spain or abroad.

In keeping with the provisions of the Annual Corporate Governance Report approved by the Board of Directors at its meeting held on 24 February 2023, the only remunerate activity performed on a regular basis by Mr. Cooke is the editorial advisory of the Real Estate Observatory.

**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 and in 2020. Moreover, he currently is member and Chairman of the Company's Appointments, Remunerations and Sustainability 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 acknowledges that Mr. Cooke has exercised his duties as a Director and as the Chairman of the Appointments, Remunerations and Sustainability Committee 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 2022 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 2022 and beginning of 2023, as the Company has been doing on a yearly basis 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 and, as provided in article 5 of the Regulations of the Appointments, Remunerations and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competencies. In this context, at the beginning of 2023, an updated 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, knowledge of the investment world, as well as 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 of Directors as a collegiate 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. Holdings in the Company**

According to the information disclosed to the Company, Mr. Roger M. Cooke holds 2,500 shares in the Company, which are representative of 0.003% of the share capital.

**e. Director's category**

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, Remunerations and Sustainability 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. Roger M. Cooke will give continuity to the management of the Company and its group carried out to date, and without prejudice to the envisaged orderly renewal of the Council in accordance with the terms described in the introduction to this report.

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, Remunerations and Sustainability 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, February 24, 2023.

## ANNEX

### APPOINTMENTS, REMUNERATIONS AND SUSTAINABILITY 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, Remunerations and Sustainability 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, Remunerations and Sustainability 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, Remunerations and Sustainability 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, Remunerations and Sustainability Committee.

Mr. Cooke is an experienced professional with more than 40 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 and a member of its European Advisory Board. He is also a member of the

Executive Committee of the British Hispanic Foundation and in January 2022 he joined the Real Estate Observatory as editorial advisor.

As for the quality of his work, the Appointments, Remunerations and Sustainability 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 as a Director and as the Chairman of the Appointments, Remunerations and Sustainability Committee 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 2022 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.

In this regard, it should also be noted that the Committee has placed special emphasis on being able to comply with recommendation 15 of the Good Corporate Governance Code for Listed Companies ("CBG") approved by the National Securities Market Commission and has been working together with the Board towards this goal. In fact, already in 2022, at the Commission's proposal, the Company went from having 29% women on the Board to the current 33.3%, when the size of the Board was reduced. In the same vein, the Committee proposed to the Board the implementation of a plan for the orderly and staggered renewal of the Board, so that in the short term (2024), the 40% quota of women on the Board is fully complied with. This plan affects the tenure of the independent directors whose terms of office now expire: Mr. Alec Emmott (independent Director), Mr. Roger Maxwell Cooke (independent Director) and Mr. José Luis del Valle (independent Chairman), proposing a staggered renewal that will be carried out by coordinating the principles of representativeness with those of diversity and independence.



Likewise, at the end of 2022 and beginning of 2023, as the Company has been doing on a yearly basis 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 and, as provided in article 5 of the Regulations of the Appointments, Remunerations and Sustainability Committee, the Appointments Committee has reviewed, in coordination with the full Board, the composition of the Board as well as the matrix of the Board's competences. In this context, at the beginning of 2023, an updated 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 directors, attached to this report as an **Annex**. 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 collegiate body.

On a separate note, the Appointments, Remunerations and Sustainability 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, Remunerations and Sustainability 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, Remunerations and Sustainability 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."*



## ANNEX

### COMPETENCY MATRIX OF THE BOARD OF DIRECTORS OF LAR ESPAÑA

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Diversity						
Gender (Women 33,3%)				☑	☑	
Nationality Spanish (66,7%) British (33,3%)	☑	☑	☑	☑	☑	☑
Seniority on the board (First appointment)	05/02/2014	05/02/2014	05/02/2014	29/05/2017	16/10/2018	05/02/2014
< 5 years (33,3%)				☑	☑	
6-9 years (66,7%)	☑	☑	☑			☑
10-12 years (0%)						
> 12 years (0%)						
Academic background						
Engineering	☑					
Real Estate		☑	☑			
Architecture and Urban Planning				☑		
Business and Economics					☑	☑
Legal / tax						☑
General Management Programmes/ Senior Management/ MBA / Specialisation	☑	☑	☑	☑	☑	☑
Skills and experience						
Sector:		☑	☑			☑
Real Estate / Retail /Valuations						
Technical Sector:	☑			☑		
Architecture / Urban Planning / Engineering				☑		
IT / Digital / Cybersecurity				☑	☑	
Finance	☑			☑	☑	☑
Audit / Accounting / Internal Control / Risk Management	☑		☑	☑	☑	☑
International markets	☑	☑	☑	☑	☑	☑
Governance	☑	☑	☑	☑	☑	☑
Sustainability		☑	☑		☑	
Management experience						
Other boards of listed companies	☑	☑		☑	☑	

	Jose Luis del Valle	Alec Emmott	Roger Cooke	Isabel Aguilera	Leticia Iglesias	Miguel Pereda
Role/ Committees	Non-executive Chairman/ Member of the ACA*	Board Member / Member of the ARSC**	Board Member / Chair of the ARSC**	Board Member / Chair of the ACA*	Board Member / Member of the ACA*/ Member of the ARSC**	Board Member / Member of the ARSC**
Category	Independent	Independent	Independent	Independent	Independent	Proprietary
Investors' knowledge / Other 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 / Remunerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Functions of the Chief Executive / 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"/>

\*ACA: Audit and Control Committee

\*\*ARSC: Appointments, Remunerations and Sustainability Committee