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EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING PROPOSED RESOLUTIONS FOR LAR ESPAÑA REAL ESTATE SOCIMI, S.A. 2015

ITEM ONE ON THE AGENDA

Approval of the acquisition by the Company of 41.22% of the shares of Puerta Marítima Ondara, S.L., held by the investment manager Grupo Lar Inversiones Inmobiliarias, S.A.

RESOLUTION

To approve the acquisition by the Company of 41.22% of the shares of Puerta Marítima Ondara, S.L. ("**PMO**"), held by the investment manager Grupo Lar Inversores Inmobiliarias, S.L. (the "**Investment Manager**") through one of its subsidiaries (the "**Transaction**").

The present resolution must be approved in order to exceptionally authorise the lifting of the restrictions established in Clause 6.3 of the Investment Management Agreement entered into between the Company and the Investment Manager, regarding the possible conflicts of interest that may arise between the parties, and the text of which is hereto attached as **Annex** of the present resolution proposal.

Currently, PMO is 41.22% owned by the Investment Manager, and the remaining 58.78% of the share capital by the Company. PMO's main corporate purpose is the acquisition, selling, leasing, and any other form of exploitation of any type of real estate asset; the development, mediation, management and consulting services regarding such assets and real estate and development projects; the construction, reform and extension of any type of building, whether for industrial, commercial, residential or parking purposes; and is the owner of Portal de la Marina Shopping Centre, located in Ondara, Alicante.

Portal de la Marina Shopping Centre has had a very positive performance during the first 9 months of the year 2015. The number of visitors has increased 6% during this period and sales have grown over 15%, both magnitudes are significantly above market average. This improvement is based on the general recovery within the Spanish market and a successful management that have resulted in the opening and extension of important retailers like Cortefiel and H&M. In addition, the shopping centre does not have ordinary debt.

This Transaction, together with the acquisition of the hypermarket carried out in June 2015, allows the Company to consolidate the ownership of Portal de la Marina Shopping Centre, granting full control, more flexibility in decision-making and a greater potential. This is an essential benefit that will boost the implementation of ambitious management plans for the improvement of the asset in the near future, in addition to synergies that will provide higher value and greater liquidity at exit

The Transaction is expected to be executed under the following terms:

1. **Valuation of the asset and share quotas.**- Given the existing conflict of interests situation between the Company and the Investment Manager, both parties have agreed to appoint three renowned and specialised independent experts in the real estate sector and share quotas valuation. The referred experts have carried out, on one hand, the asset valuation and, on the other hand, the total share capital valuation of PMO and, in particular, the Investment Manager's stake valuation in PMO —41.22%— taking into account factors such as the shareholders agreement between the parties, the marketability restrictions of the share quotas and the impact that the selling of the minority stake would imply.



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2. Price.- Based on the valuations carried out by the independent experts, the Board of Directors has decided that, with regards to the Transaction, the value of the Investment Manager's stake in PMO is worth approximately Euro 14,373,000.

3. Maximum term.- The Transaction must be carried out as soon as possible, ideally before the end of 2015, and, in any case, without delaying the execution of the Transaction beyond the first quarter of 2016.

The execution of the Transaction will allow PMO to comply with all the corporate requirements in order to implement the SOCIMI regime, with the subsequent tax benefit that it entails for the Company, given the fact that the dividends distributed by PMO to its sole shareholder - Lar España - will be deemed in the calculation of the 80% net annual income derived from dividends or benefits distributed by qualifying subsidiaries, in accordance with Law 11/2009, of 26 October, of *Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario* ("**SOCIMIS' Law**").

Once the transaction is completed, PMO will be wholly owned by the Company and will comply with all the legal requirements of the SOCIMI regimen, in accordance with Article 2.1.c) of the SOCIMIS' Law.

Therefore, PMO will be able to enter de SOCIMI regime without having to transform its corporate form into a *Sociedad Anónima* (stock company), as legally required by the SOCIMIS' Law, and without having to request the admission to trading of its shares on a regulated stock exchange or on a multilateral trading facility, as required by Article 4 of the SOCIMIS' Law. These circumstances translate into the elimination of the costs that PMO would have to incur if it were a listed stock company.

The Board of Directors is authorised, as broadly as may be required by Law, to carry out such acts as may be necessary or convenient to execute the Transaction. The Board of Directors is also authorised to delegate in favour of any director or directors it deems appropriate the powers delegated thereto under this resolution.

Likewise, the General Shareholders' Meeting of Lar España expressly authorises the Board of Directors to void the execution of the Transaction if, at the time of the implementation of the transaction, there are causes or facts that, in its opinion, advice against the implementation of the Transaction for efficiency, organizational, or any other reason related to the Company's interest.



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Annex - Clause 6.3 of the Investment Management Agreement

6.3. Conflicts of interest

The Investment Manager shall not (and shall procure that no Investment Manager Affiliate shall), during the term of this Agreement, (i) sell, transfer or lease assets or properties to the Company, or (ii) launch or invest in a property investment/real estate listed or unlisted fund or a property investment/real estate investment trust carrying on business in Spain to invest in Commercial Property.

Likewise, the Company shall not, during the term of this Agreement, sell, transfer or lease assets or properties to the Investment Manager, unless otherwise approved by the Board of Directors.

The Investment Manager shall disclose (in good faith) in writing to the Company any actual or potential conflicts of interests (as contemplated by this Clause which it and/or any of the Investment Manager Affiliates have or may have from time to time, subject to any obligations of confidentiality to which the Investment Manager is contractually bound but provided that the Investment Manager acknowledges that the intent of this Clause is to make available to the Company information concerning any such actual or potential conflicts of interest and, accordingly, the Investment Manger shall use all reasonable endeavours to work around such obligations of confidentiality to make available as match information as it reasonably can.

For the avoidance of doubt, nothing in this Clause 6.3 shall prevent the Investment Manager from carrying out the projects referred to in Clause 6.1(i).



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ITEM TWO ON THE AGENDA

Delegation in the Board of Directors, with the express power of substitution, for a term of five years, the power to increase the share capital pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act, by up to one-half of the share capital on the date of the delegation. Delegation of the power to exclude pre-emptive rights in connection with the capital increases that the Board may approve under this authorisation, provided, however, that this power shall be limited to an aggregate maximum nominal amount equal to 20% of the share capital on the date of this authorisation.

RESOLUTION

To authorise the Board of Directors, as broadly as may be required by Law, so that, as permitted by Article 297.1.b) of the Spanish Companies Act, it may increase the share capital on one or more occasions and at any time within a term of five years from the date of approval of this resolution, by up to one-half of the current share capital.

Said share capital increase or increases may be carried out with or without a premium, either by increasing the par value of the outstanding shares with the requirements set forth in the Law, or by issuing new ordinary or privileged shares (with or without voting rights), or redeemable shares, or any other type of shares valid under the applicable Laws, or different types of shares at one time, the consideration for which shall be cash contributions.

The Board of Directors shall decide, in connection with each increase, whether the new shares to be issued are common, preferred, redeemable, non-voting or any other kinds of shares among those permitted by Law. In addition, the Board of Directors may establish, as to all matters not otherwise contemplated, the terms and conditions of the share capital increase and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made and amend the article of the By-Laws relating to share capital and number of shares.

Furthermore, in connection with the share capital increases that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by Article 506 of the Spanish Companies Act, provided, however, that such power shall be limited to share capital increases carried out pursuant to this authorisation up to a maximum amount equal, in the aggregate, to 20% of the current share capital of the Company.

In any event, if the Board of Directors elects to exclude pre-emptive rights in any or all the referred share capital increases, they will draft a detailed report explaining the purpose of such exclusion based on the Company's interest, along with the relevant Board's resolution and the corresponding from an account auditor other than the Company's auditor according to Article 506 of the Spanish Companies Act. Said reports will immediately be delivered in the Company's website and made available to all shareholders and communicated at the first General Shareholders Meeting after the issuance resolution.

By virtue of this authorisation, the Board of Directors is also empowered to make application for listing of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organized or other secondary markets, and to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the securities markets.



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The Board of Directors is also authorised to delegate in favour of any director or directors it deems appropriate the powers delegated thereto under this resolution.

Likewise, the Board of Directors is authorised, as broadly as may be required by Law, with substitution powers in any of the Company's directors, such that any of them, may carry out such acts as may be necessary and execute such public or private documents or agreements as may be necessary or convenient for the full effectiveness of the above resolution in any aspect and, in particular, to elaborate on, clarify, make more specific, interpret, complete, and correct it; also, to correct the defects, errors or omissions which may be observed in the oral or written assessment of the Commercial Registrar, as broadly as possible.

The present delegation of powers to the Board of Directors replaces the one granted by the Shareholders' Meeting on 28 April 2015, which will therefore be rendered void.



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ITEM THREE ON THE AGENDA

Delegation of powers to formalise and implement all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion thereof into a public instrument, and for the interpretation, correction, supplementation thereof, further elaboration thereon, and registration thereof.

RESOLUTION

Without prejudice to the powers delegated in the preceding resolutions, to jointly and severally authorise the Board of Directors, the Executive Committee, the chairman & CEO, and the general secretary and secretary of the Board of Directors, such that any of them, to the fullest extent permitted by law, may implement the resolutions adopted by the shareholders acting at this General Shareholders' Meeting, for which purpose they may:

- (a) Elaborate on, clarify, make more specific, interpret, complete, and correct them.
- (b) Carry out such acts or legal transactions as may be necessary or appropriate for the implementation of the resolutions, execute such public or private documents as they deem necessary or appropriate for the full effectiveness thereof, and correct all omissions, defects, or errors, whether substantive or otherwise, that might prevent the recording thereof with the Commercial Registry.
- (c) Delegate to one or more of its members all or part of the powers of the Board of Directors that they deem appropriate, including those corresponding to the Board of Directors and all that have been expressly allocated to them by the shareholders acting at this General Shareholders' Meeting, whether jointly or severally.
- (d) Determine all other circumstances that may be required, adopt and implement the necessary resolutions, publish the notices, and provide the guarantees that may be required for the purposes established by law, formalise the required documents, and carry out all necessary proceedings and comply with all requirements under the law for the full effectiveness of the resolutions adopted by the shareholders at this General Shareholders' Meeting.