



**RESOLUTION PROPOSALS ON THE ITEMS ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF INMOBILIARIA COLONIAL, S.A. TO BE HELD ON 27 JUNE 2016 ON FIRST CALL OR, AS EXPECTED, ON 28 JUNE 2016 ON SECOND CALL.**

**I. Items concerning the financial statements, the corporate management and the election of the auditor.**

***First.- Examination and ratification of the individual financial statements of Inmobiliaria Colonial, S.A. and the consolidated financial statements of Inmobiliaria Colonial, S.A. and its subsidiaries for the year ended 31 December 2015.***

**1.1 Ratification of the individual financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2015.**

The ratification is agreed of the individual financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2015, which include the Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Statement of Cash Flows and Annual Report for the year in question.

**1.2 Ratification of the consolidated financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2015.**

The ratification is agreed of the consolidated financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2015, which include the consolidated Balance Sheet, consolidated Profit and Loss Account, consolidated Statement of Changes in Equity, consolidated Statement of Cash Flows and consolidated Annual Report for the year in question.

***Second.- Examination and ratification of the proposed distribution of profits for the Company for the year ended 31 December 2015.***

In view of the individual annual accounts of Inmobiliaria Colonial, S.A., which show a profit for the year ending on 31 December 2015 of €285,350,637.53, it is resolved to distribute the profit as follows:

- €28,535,063.75 to statutory reserves.
- €47,832,849.60 to dividends.
- €208,982,724.18 to offset prior years' losses.

The dividend will be paid through members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) within the 30 days following the present General Meeting. The number of shares currently outstanding means that the dividend will be equivalent to €0.015 per share.

***Third.- Examination and ratification of the individual and consolidated Management Reports and approval of the Board of Directors' corporate management during the year ended 31 December 2015.***

It is resolved to approve the individual and consolidated Management Reports for the year ended 31 December 2015, including the Annual Corporate Governance Report for the year ended 31 December 2015.

It is also resolved to approve the management of the Board of Directors and the Chief Executive Officer during the year ended 31 December 2015, in view of the individual and consolidated Management Reports that have been made available to the shareholders.

***Fourth.- Re-appointment of the statutory auditor of Inmobiliaria Colonial, S.A. and its consolidated group for FY 2016.***

It is resolved, at the proposal of the Audit and Control Committee, to re-appoint Deloitte, S.L. as the Company's auditor to audit the individual and consolidated annual accounts for the period of one year, thus including the annual accounts for the year ending on 31 December 2016.

It is noted that Deloitte, S.L. has its registered office in Madrid, at Plaza Pablo Ruiz Picasso, number 1, its fiscal identification code is B-79.104.469 and it is registered in the Madrid Company Register, Volume 13,650, Section 8, Folio 188, on page M-54,414, Inscription 96, and with number S0692 in the Official Register of Financial Auditors (ROAC in Spanish).

***Fifth.- Appointment of a new statutory auditor of Inmobiliaria Colonial, S.A. and its consolidated group for the FYs ending on 31 December 2017, 2018 and 2019.***

It is resolved, after the expiration of the appointment of the current statutory auditor of the Company's accounts for the year ending on 31 December 2016, to select the company PricewaterhouseCoopers Auditores, S.L. as the new auditor at the proposal of the Audit and Control Committee. This complies with the current legislation and, in particular, *Law 22/2015, of 20 July, on Financial Auditing*. The new auditor will audit the individual and consolidated annual accounts for a period of three years, those ending on 31 December 2017, 2018 and 2019.

It is noted that PricewaterhouseCoopers Auditores, S.L. has its registered office in Madrid, at Paseo de la Castellana, nº 259 B, its fiscal identification code is B-79.031.290 and it is registered in the Madrid Company Register, Volume 9,267, Section 3, Folio 75, on page M-87,250-1, Inscription 96, and with number S0242 in the Official Register of Financial Auditors (ROAC).

***Sixth.- Offset of accumulated prior years' losses***

According to the Company's individual balance sheet as at 31 December 2015, and after the appropriation of €208,982,724.18 to offset losses from previous years as provided in agenda item 2, the company's accumulated losses, booked under Retained Earnings, stand at €938,992,476.50.

In the same balance sheet, the Other Reserves item has a balance of €1,158,873,344.75.

In order to provide a clearer picture of the capital position, it was resolved to appropriate €938,992,476.50 from Other Reserves to fully offset the accumulated losses of previous years booked under Retained Earnings.

Following the partial appropriation of Other Reserves to offset the accumulated losses of previous years, the balance of these losses will be reduced to €0 and the balance on Other Reserves to €219,880,868.25

**II. Items regarding the non-monetary capital increases and the authorization to the Board of Directors to increase capital.**

***Seventh.- Capital increase with a charge to non-monetary contributions for a nominal amount of EUR 22,701,480 through the issue of 90,805,920 new ordinary shares of EUR 0.25 par value each,***

***with a forecast of incomplete subscription, the consideration of which consists of the shares of Société Foncière Lyonnaise ("SFL") held by Reig Capital Group Luxembourg Sàrl. Delegation of powers.***

The shareholders at the Annual General Meeting of Inmobiliaria Colonial, S.A. ("**Colonial**" or "**the Company**") resolve to increase capital with a charge to non-monetary contributions, on the terms and conditions established below, so as to issue the Colonial shares required to acquire, in consideration for the contributions, the shares of *Société Foncière Lyonnaise* ("**SFL**") held by Reig Capital Group Luxembourg Sàrl ("**REIG**" or the "**Contributing Company**").

For the purposes of this resolution, all words beginning with a capital letter that are not expressly defined herein will have the same meaning as established for the words in the report by the directors giving rise to this resolution.

### **1. CAPITAL INCREASE**

It is resolved to increase Colonial's share capital by a nominal amount of EUR 22,701,480 through the issue of 90,805,920 new ordinary shares of EUR 0.25 par value each, of the same class and series as those currently outstanding. The consideration for the new shares to be issued consists of non-monetary contributions, in particular, of SFL shares, free and clear of liens and charges, which are currently listed of the Paris Stock Exchange, "*Euronext Paris—Compartiment A*".

### **2. DESCRIPTION OF THE NON-MONETARY CONTRIBUTION AND IDENTIFICATION OF THE CONTRIBUTING COMPANY**

The contribution consists of 1,019,478 SFL book-entry shares, representing 2.19% of share capital, of the same class and series and paid in full.

SFL is a French company registered at the *Registre du Commerce et des Sociétés* in Paris with number 552,040,982 (Code NAF 6820 B), which has its registered address in Paris (France), 42, Rue Washington (75008). Its shares are listed on the Paris Stock Exchange, "*Euronext Paris—Compartiment A*". This company is regulated as a listed real estate investment trust (*Société d'Investissement Immobilier Cotée* or SIIC) and is 53.14%-owned by Colonial.

The purpose of the capital increase covered in this resolution is to issue new shares, in consideration for the contribution, that will be delivered exclusively to Reig Capital Group Luxembourg Sàrl, a Luxembourg company with Spanish tax identification number N-0182062-J, registered address at 65 Boulevard Grande-Duchesse Charlotte, L-1331, Luxembourg and registered at the Luxembourg Mercantile Registry under number B-125.465.

### **3. NUMBER OF NEW SHARES TO BE ISSUED**

In consideration for the non-monetary contribution consisting of 1,019,478 SFL shares, it is resolved to issue a total of 90,805,920 shares of EUR 0.25 par value and with a share premium of EUR 0.45 each, of the same class and series as those currently outstanding, which will be subscribed and paid in fully by the Contributing Company through the contribution of 1,019,478 SFL shares which it holds. Accordingly, the effective amount of the capital increase is EUR 63,564,144.00.

The exchange ratio is 89.071 Colonial shares of EUR 0.25 par value each for each SFL share.

#### **4. ISSUE PRICE**

The new Colonial shares will be issued at a unit par value of EUR 0.25 each, plus a share premium of EUR 0.45 per share. Accordingly, the issue price is set at EUR 0.70 per share.

#### **5. SUBSCRIPTION AND PAYMENT**

The new Colonial shares will be subscribed by the Contributing Company and the par value and share premium of the shares will be fully paid on execution of the capital increase deed.

#### **6. INCOMPLETE SUBSCRIPTION**

In accordance with Article 311 of *Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Spanish Limited Liability Companies Law (“Spanish Limited Liability Companies Law”)*, the possibility of the incomplete subscription of the capital increase covered in this resolution is expressly provided for. Consequently, the capital increase (with the limit set forth herein) will be limited to the amount relating to the nominal amount of the new Colonial shares effectively subscribed and paid in consideration for the SFL shares effectively contributed.

#### **7. INEXISTENCE OF PRE-EMPTION RIGHTS**

Under Article 304 of the Spanish Limited Liability Companies Law and since the consideration for the capital increase consists of non-monetary contributions, the Company's shareholders will not have pre-emption rights to subscribe the shares to be issued pursuant to the capital increase with a charge to non-monetary contributions covered in this resolution.

#### **8. RIGHTS OF THE NEW SHARES**

The new shares will confer on their holders the same voting and dividend rights as the Company's currently outstanding shares from the date on which they are registered in their name in the related accounting records. In particular, as regards dividend rights, the new shares will entitle holders to receive interim or final dividends, the payment of which is agreed on as from such date.

#### **9. REPRESENTATION OF THE NEW SHARES**

The newly issued shares will be represented through book entries, of which the recording for accounting purposes will be assigned to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (“Iberclear”) and its investees.

#### **10. LISTING OF THE NEW SHARES**

It is resolved to request the admission to trading of the new Colonial shares on the Madrid and Barcelona Stock Exchanges and on any other Spanish or international market on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof on the Spanish Stock Market Interconnection System.

It is expressly put on record that, should a request subsequently be made to delist the Company's shares, such delisting will take place in adoption of the legal formalities and meeting the requirements provided in current legislation.

## 11. GUARANTEES OF THE NON-MONETARY CONTRIBUTIONS

No special guarantees were arranged, given the nature of the assets contributed. Notwithstanding the foregoing, there is a commitment on the part of the Contributing Company to contribute the shares referenced in section 2.

## 12. AMENDMENT OF ARTICLE 5 OF THE BYLAWS

The Board of Directors is expressly empowered to redraft Article 5 of the Company's bylaws with regard to the shares that are subscribed and paid.

## 13. DELEGATION OF POWERS

Notwithstanding the specific delegations of powers contained in the foregoing sections (which should be understood to have been granted with express powers to replace the persons indicated herein), it is resolved to empower the Board of Directors, as permitted by law and with the express power to replace the Chairman, CEO and Secretary and Deputy Secretary of the Board, so that any of them, indistinctly and with a single signature, may execute this resolution within one year from the date of this Annual General Meeting. Should this period elapse without the resolution being executed, it shall become null and void and, in particular, the following may be performed, for information purposes and without limitation:

- Declare the share capital relating to the capital increase to be subscribed and paid, even in the event that, in accordance with Article 311 of the Spanish Limited Liability Companies Law, all the securities issued were not subscribed and an incomplete subscription took place, in which case the capital increase may be declared to have been completed at the amount of the subscriptions made; Adopt for such purpose all the agreements legally required to formalise the agreement or agreements to perform the capital increase and the related amendments to the final article of the bylaws relating to the Company's share capital;
- Expand and develop this resolution, setting the terms and conditions of the issue in all matters that are not provided for, including, without limitation, establishing the date on which the capital increase should become effective;
- Prepare, subscribe and submit, as appropriate, before the Spanish National Securities Market Commission ("CNMV"), the French Financial Markets Authority ("AMF") and/or any other supervisory authority as may be appropriate, in respect of the issue and admission to trading of the new shares issued under this resolution, (i) such prospectuses and supplementary materials as may be required, taking responsibility therefor; and (ii) such documents and information required pursuant to *Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, to Legislative Royal Decree 4/2015, of 23 October, approving the Consolidated Spanish Securities Law, to Royal Decree 1310/2005, of 4 November, concerning the admission to listing (or trading) of securities in official secondary markets, initial and secondary public offerings and the required prospectus for these purposes* and any other Spanish or foreign regulations as may be applicable for execution of this resolution; and to perform on behalf of the Company any action, statement or formality as may be required before the CNMV, the AMF, IBERCLEAR, stock exchange governing companies and any other Spanish and international public or private body, entity or registry in order to achieve the authorisation, verification and subsequent performance of the capital increase under this

resolution and the admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges and on any other Spanish or international market on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof in the Spanish Stock Market Interconnection System (SIBE);

- Negotiate and execute, as appropriate and in the terms it deems most appropriate, the agreements required for the proper performance of the capital increase covered in this resolution;
- Request the admission to trading on the Madrid and Barcelona Stock Exchanges and/or on any other market on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof on the Spanish Stock Market Interconnection System;
- Execute on behalf of the Company such public or private documents as required or appropriate to issue the new shares covered in this resolution and to admit such shares to trading and, in general, perform such legal formalities as required for execution thereof and rectify, clarify, interpret, specify or supplement the resolutions adopted by the shareholders at the Annual General Meeting, in particular, such defects, omissions or errors, in substance or in form, arising from the oral or written assessment, that may prevent registration of the resolutions and related consequences at the Mercantile Registry, the official registries of the CNMV or any other registries.

***Eighth.- Capital increase with a charge to non-monetary contributions for a nominal amount of EUR 72,142,857.50 through the issue of 288,571,430 new ordinary shares of EUR 0.25 par value each, with a forecast of incomplete subscription, the consideration of which consists of all the shares of Hofinac Real Estate, S.L. held by Hofinac B.V. Delegation of powers.***

The shareholders at the Annual General Meeting of Inmobiliaria Colonial, S.A. ("**Colonial**" or "**the Company**") resolve to increase capital with a charge to non-monetary contributions, on the terms and conditions established below, so as to issue the Colonial shares required to acquire, in consideration for the contributions, all the shares of Hofinac Real Estate, S.L. ("**Hofinac**") held by Hofinac B.V.

For the purposes of this resolution, all words beginning with a capital letter that are not expressly defined herein will have the same meaning as established for the words in the report by the directors giving rise to this resolution.

## **1. CAPITAL INCREASE**

It is resolved to increase Colonial's share capital by a nominal amount of EUR 72,142,857.50 through the issue of 288,571,430 new ordinary shares of EUR 0.25 par value each, of the same class and series as those currently outstanding. The consideration for the new shares to be issued consists of non-monetary contributions, in particular, of 24,943,470 shares of Hofinac, numbered sequentially from 1 to 24,943,470, inclusive, and free and clear of any liens and charges, representing all the share capital.

## **2. DESCRIPTION OF THE NON-MONETARY CONTRIBUTION AND IDENTIFICATION OF THE CONTRIBUTING COMPANY**

The contribution consists of 24,943,470 shares of Hofinac, numbered sequentially from 1 to 24,943,470, inclusive, and free and clear of any liens and charges, representing all the share capital.

Hofinac is a Spanish company incorporated on 15 September 2000 under the name of Gic Real Estate España, S.L. before the Notary of Madrid Mr José Aristónico García Sánchez, under number 2703 of his

protocol, with registered address at Torre Picasso, Plaza de Pablo Ruiz Picasso 1, registered at the Madrid Mercantile Registry in volume 15,813, folio 101, sheet number M-266.935 and bearing employer identification number B-82759242, which engages in the purchase and sale, ownership, lease and administration of all manner of properties and which owns the Properties referenced in the report by the directors giving rise to this resolution.

The purpose of the capital increase covered in this resolution is to issue new shares, in consideration for the contribution, that will be delivered exclusively to Hofinac B.V., a Dutch company with tax identification number N0038152E, registered address in Amsterdam (the Netherlands) at Herengracht 466 (1017 CA) and registered at the Amsterdam Mercantile Registry with number 60439157 (the "**Contributing Company**").

### **3. NUMBER OF NEW SHARES TO BE ISSUED**

In consideration for the non-monetary contribution consisting of 24,943,470 shares of Hofinac, it is resolved to issue a total of 288,571,430 new shares of EUR 0.25 par value and with a share premium of EUR 0.45 each, of the same class and series as those currently outstanding, which will be subscribed and paid in full by the Contributing Company through the contribution of 24,943,470 shares of Hofinac, representing all the share capital, which it holds. Accordingly, the effective amount of the capital increase is EUR 202,000,001.00.

The exchange ratio is 11.569 Colonial shares of EUR 0.25 par value each for each share of Hofinac.

### **4. ISSUE PRICE**

The new Colonial shares will be issued at a unit par value of EUR 0.25 each, plus a share premium of EUR 0.45 per share. Accordingly, the issue price is set at EUR 0.70 per share.

### **5. SUBSCRIPTION AND PAYMENT**

The new Colonial shares will be subscribed by the Contributing Company and the par value and share premium of the shares will be fully paid on execution of the capital increase deed.

### **6. INCOMPLETE SUBSCRIPTION**

In accordance with Article 311 of *Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Spanish Limited Liability Companies Law ("Spanish Limited Liability Companies Law")*, the possibility of the incomplete subscription of the capital increase covered in this resolution is expressly provided for. Consequently, the capital increase (with the limit set forth herein) will be limited to the amount relating to the nominal amount of the new Colonial shares effectively subscribed and paid in consideration for the shares of Hofinac effectively contributed.

### **7. INEXISTENCE OF PRE-EMPTION RIGHTS**

Under Article 304 of the Spanish Limited Liability Companies Law and since the consideration for the capital increase consists of non-monetary contributions, the Company's shareholders will not have pre-emption rights to subscribe the shares to be issued pursuant to the capital increase with a charge to non-monetary contributions covered in this resolution.

## **8. RIGHTS OF THE NEW SHARES**

The new shares will confer on their holders the same voting and dividend rights as the Company's currently outstanding shares from the date on which they are registered in their name in the related accounting records. In particular, as regards dividend rights, the new shares will entitle holders to receive interim or final dividends, the payment of which is agreed on as from such date.

## **9. REPRESENTATION OF THE NEW SHARES**

The newly issued shares will be represented through book entries, of which the recording for accounting purposes will be assigned to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**") and its investees.

## **10. LISTING OF THE NEW SHARES**

It is resolved to request the admission to trading of the new Colonial shares on the Madrid and Barcelona Stock Exchanges and on any other Spanish or international market on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof on the Spanish Stock Market Interconnection System.

It is expressly put on record that, should a request subsequently be made to delist the Company's shares, such delisting will take place in adoption of the legal formalities and meeting the requirements provided in current legislation.

## **11. GUARANTEES OF THE NON-MONETARY CONTRIBUTIONS**

No special guarantees were arranged, given the nature of the assets contributed. Notwithstanding the foregoing, there is a commitment on the part of the Contributing Company to contribute the shares referenced in section 2.

## **12. AMENDMENT OF ARTICLE 5 OF THE BYLAWS**

The Board of Directors is expressly empowered to redraft Article 5 of the Company's bylaws with regard to the shares that are subscribed and paid.

## **13. DELEGATION OF POWERS**

Notwithstanding the specific delegations of powers contained in the foregoing sections (which should be understood to have been granted with express powers to replace the persons indicated herein), it is resolved to empower the Board of Directors, as permitted by law and with the express power to replace the Chairman, CEO and Secretary and Deputy Secretary of the Board, so that any of them, indistinctly and with a single signature, may execute this resolution within one year from the date of this Annual General Meeting. Should this period elapse without the resolution being executed, it shall become null and void and, in particular, the following may be performed, for information purposes and without limitation:

- Declare the share capital relating to the capital increase to be subscribed and paid, even in the event that, in accordance with Article 311 of the Spanish Limited Liability Companies Law, all the securities issued were not subscribed and an incomplete subscription took place, in which case the capital increase may be declared to have been completed at the amount of the subscriptions

made; Adopt for such purpose all the agreements legally required to formalise the agreement or agreements to perform the capital increase and the related amendments to the final article of the bylaws relating to the Company's share capital;

- Expand and develop this resolution, setting the terms and conditions of the issue in all matters that are not provided for, including, without limitation, establishing the date on which the capital increase should become effective;
- Prepare, subscribe and submit, as appropriate, before the Spanish National Securities Market Commission ("**CNMV**") and/or any other supervisory authority as may be appropriate, in respect of the issue and admission to trading of the new shares issued under this resolution, (i) such prospectuses and supplementary materials as may be required, taking responsibility therefor; and (ii) such documents and information required pursuant to *Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC*, to *Legislative Royal Decree 4/2015, of 23 October, approving the Consolidated Spanish Securities Law*, to *Royal Decree 1310/2005, of 4 November, concerning the admission to listing (or trading) of securities in official secondary markets, initial and secondary public offerings and the required prospectus for these purposes* and any other Spanish or foreign regulations as may be applicable for execution of this resolution; and to perform on behalf of the Company any action, statement or formality as may be required before the CNMV, IBERCLEAR, stock exchange governing companies and any other Spanish and international public or private body, entity or registry in order to achieve the authorisation, verification and subsequent performance of the capital increase under this resolution and the admission to trading of the new shares on the Madrid and Barcelona Stock Exchanges and on any other Spanish or international market on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof in the Spanish Stock Market Interconnection System (SIBE);
- Negotiate and execute, as appropriate and in the terms it deems most appropriate, the agreements required for the proper performance of the capital increase covered in this resolution;
- Request the admission to trading on the Madrid and Barcelona Stock Exchanges and/or on any other market on which the Company's shares are listed at the time of execution of this resolution, and the inclusion thereof on the Spanish Stock Market Interconnection System;
- Execute on behalf of the Company such public or private documents as required or appropriate to issue the new shares covered in this resolution and to admit such shares to trading and, in general, perform such legal formalities as required for execution thereof and rectify, clarify, interpret, specify or supplement the resolutions adopted by the shareholders at the Annual General Meeting, in particular, such defects, omissions or errors, in substance or in form, arising from the oral or written assessment, that may prevent registration of the resolutions and related consequences at the Mercantile Registry, the official registries of the CNMV or any other registries.

***Ninth.- Authorization to the Board of Directors, in accordance with article 297.1.b) of the Consolidated Text of the Spanish Limited Liability Companies Law, to increase, within a maximum period of five years, share capital, in the form of cash contributions, by up to half the existing amount of share capital, on one or more occasions, when and for the amounts deemed appropriate. Within the maximum amount permitted, the Board will be granted the power to exclude the pre-emptive subscription right under certain circumstances, limited to a maximum nominal amount, overall,***

***equal to 20% of the share capital. Revoking the authorisation granted through resolution nine at the Company's General Shareholders' Meeting held on 30 June 2014.***

It is agreed to grant the Board of Directors, in accordance with article 297.1.b) of the Spanish Limited Liability Companies Law, the broadest powers as necessary under Law, so that within the five-year period from the date of this General Shareholders' Meeting, it may increase share capital through cash contributions, on one or more occasions and at any time, without the need to call a General Shareholders' Meeting beforehand or to receive its subsequent approval.

The delegation includes the power to issue new shares and put them into circulation, whether they are ordinary shares or any other type permitted by law, with or without a share premium and with or without voting rights, and to establish the characteristics of the shares and the terms and conditions of the capital increase, with the possibility also of freely offering the unsubscribed new shares within the pre-emptive subscription period and determine, if the shares are not fully subscribed, that capital will be increased only by the amount of the subscriptions made. The power to redraft the article of the Company Bylaws relating to share capital is also delegated.

Any capital increase agreed by the Board of Directors shall not, in any case, be greater than half the existing share capital at the time of authorization. Likewise, the Board is authorized to exclude, totally or partially, pre-emptive subscription rights under the terms of article 308 –in relation to article 506– of the Spanish Limited Liability Companies Law and other related regulations. However, in line with trends and recommendations of good corporate governance, this power granted to the Board of Directors to increase capital with the exclusion of pre-emptive subscription rights is limited to a maximum of 20% of the share capital existing at the time of authorization. The capital increase with the exclusion of pre-emptive subscription rights, with the maximum amount permitted, will be an exceptional measure imposed for urgent reasons, based on the situation and circumstances of the market and justified for specific reasons that are in the best interests of the Company and its shareholders. The coincidence of these circumstances and the best interest of the Company and its shareholders must be evidenced through a mandatory report by the Board of Directors. A favorable vote of two thirds of the members of the Board is required in order to execute the delegation of powers in relation to this capital increase.

Authority was also delegated to allow the setting of particular aspects and conditions of each issue, according to the nature of each operation that the Board decides to carry out under the authorization given by the present agreement. Also, once the capital increase has been agreed and exercised it has the power to redraft the article of the Company Bylaws relating to share capital and to carry out as many procedures as necessary so that the new shares resulting from the capital increase may be admitted for trading on those stock exchanges, either Spanish or foreign, on which the Company is listed, in accordance with the procedures of each of these bourses.

Without prejudice to the specific delegations of powers established in the present resolution (which should be understood to have been granted with express powers to delegate in turn to the persons specified here), it is agreed to grant the Board of Directors the fullest powers that may be required by law, and with the express power to sub-delegate this power to the Chairman of the Board of directors, the Chief Executive Officer, the Secretary or the Deputy Secretary, so that any of them, with their signature alone, may execute the present resolution. In particular, they may, by way of indication but not limitation:

- Broaden and develop the present resolution, focusing on all aspects not foreseen in it in relation to the terms and conditions of the issues that may be carried out. In particular, but not limited

thereto, establish the date the resolution became effective in relation to the various capital increases, setting, where appropriate, the start of the period of pre-emptive subscription rights, the premium for the new shares and, as a result their total issue price; establish, foreseeing the possibility of an incomplete subscription, the number of shares to be issued and the nominal value of each capital increase in function of the issue price, term, form, and subscription and payment procedure in each of the subscription periods; the exchange ratio, where appropriate, for the exercise of pre-emptive subscription rights, including the power to propose to one or more shareholders that they waive the number of pre-emptive subscription rights to which they are entitled as necessary to ensure that the number of shares to be issued maintains the exact proportion resulting from applying the exchange ratio agreed; make provision for circumstances where the new share issue may have to be suspended, where it may be necessary or appropriate to do so, and, in general, any other circumstances necessary for carrying out the increase and the issue of shares against monetary contributions;

- Agree the procedure for the placement of the shares, setting the start date and, where appropriate, modifying the duration of the pre-emptive subscription period above the legal minimum and, where relevant, set the duration of the additional and discretionary allocation periods, with the ability to declare the early closure of the placement period and of the issue. Likewise, the power to set the conditions and procedure for the subscription of shares is delegated, where appropriate, in the additional and discretionary allocation periods, with shares being able to be allocated, in this latter period, to any third party in accordance with placement procedure that is freely set;
- Prepare, subscribe and present, where appropriate, to the Spanish National Securities Markets Commission (the “CNMV”) or any other supervisory authorities related to the issue and admission to trading of the new shares issued under the present resolution, the prospectus and as much supplementary information to it as may be required, assuming the responsibility for these and the other documents and information that are required to comply with the requirements of *Royal Legislative Decree 4/2015, of 23 October, approving the Consolidated text of the Spanish Securities Markets Law*, and *Royal Legislative Decree 1310/2005, of 4 November, relating to the admission for trading of securities on official secondary markets, public offerings or subscriptions and the prospectus required for each of them*, and any other legislation, national or foreign, that is applicable for the execution of the present resolution;
- Carry out any action, statement or measure, or prepare, subscribe and present any necessary documentation or information to the CNMV, Iberclear, the governing bodies of the Stock Exchanges, or any other body, entity or register, public or private, both national or international, to obtain the authorizations, verifications and subsequent executions of the capital increases carried out under this present resolution; and in addition, the admission for trading of the new shares on the Madrid and Barcelona Stock Exchanges, and on any other market, national or international, in which the Company's shares may be listed at the time that any of the capital increases included under the present resolution is implemented, and their inclusion in the Spanish Stock Market Interconnection System (SIBE);
- Prepare, subscribe and present, where necessary or appropriate, an international prospectus with the purpose of assisting the dissemination of information relating to the capital increases among international shareholders and investors, assuming, in the name of the Company, responsibility for its content;
- Negotiate and sign, where appropriate, in the terms deemed most suitable, the agreements that are required for the successful execution of the share capital increases, including the agency

agreement and, where appropriate, any placement and/or underwriting agreements that may result;

- Declare the capital increases executed, issuing and putting into circulation the new shares that have been subscribed and paid up, and redrafting the article of the Bylaws relating to share capital, in function of the capital effectively subscribed and paid up, rendering null and void that part of the capital increase not subscribed or paid up in the established terms; and
- Issue in the name of the Company as many public or private documents as are considered necessary or appropriate for the issue of the new shares carried out under this present resolution and their admission for trading, and, in general, carry out any procedures that may be required for their execution, such as rectify, clarify, interpret, specify or complement the resolutions adopted by the General Shareholders' Meeting and, in particular, any defects, omissions or errors, of content or format, resulting from the verbal or written assessment, that may impede the access of these resolutions and the consequences thereof with regard to the Mercantile Register, the CNMV Official Register, or any other registers.

From the moment this resolution is approved by the General Shareholders' Meeting, it shall imply that the unused part of the above-mentioned authorization agreement with the Board of Directors, approved under item nine of the agenda of the Company's General Shareholders' Meeting of 30 June 2014, is completely null and void.

### **III. Items regarding the appointment and remuneration of Board members of the Company**

#### ***Tenth.- Determination of the number of members of the Board of Directors.***

It is resolved to set the number of members who make up the Board of Directors of Inmobiliaria Colonial, S.A. at 12, within the minimum and maximum number provided in the bylaws.

#### ***Eleventh.- Ratification and appointment of Sheikh Ali Jassim M. J. Al-Thani as Director of the Company, with the category of proprietary director.***

It is agreed, following the proposal by the Board of Directors and prior report by the Appointments and Remuneration Committee to ratify and appoint Sheikh Ali Jassim M. J. Al-Thani as Member of the Board of Directors of Colonial, S.A. with the category of proprietary director for the statutory term of four years, counted from the date adoption of the present resolution.

#### ***Twelfth.- Appointment of Adnane Mousannif as Director of the Company, with the category of proprietary director.***

It is agreed, following the proposal by the Board of Directors and prior report by the Appointments and Remuneration Committee to appoint Adnane Mousannif as Member of the Board of Directors of Inmobiliaria Colonial, S.A. with the category of proprietary director for the statutory term of four years, counted from the date adoption of the present resolution.

#### ***Thirteenth.- Appointment of Carlos Fernández González as Director of the Company, with the category of proprietary director.***

It is agreed, following the proposal by the Board of Directors and prior report from the Appointments and Remuneration Committee to appoint Carlos Fernández González as Member of the Board of Directors of Inmobiliaria Colonial, S.A. with the category of proprietary director for the statutory term of four years, counted from the date adoption of the present resolution.

***Fourteenth.- Voting, on a consultative basis, of the 2015 Annual Directors' Remuneration Report of Inmobiliaria Colonial, S.A.***

It is resolved to ratify, on a consultative basis, the 2015 Annual Directors' Remuneration Report of Inmobiliaria Colonial, S.A. for the year ended 31 December 2015, which was made available to all the shareholders at the time of convening the General Meeting.

***Fifteenth.- Directors' Remuneration Policy of Inmobiliaria Colonial, S.A.***

The General Meeting of Shareholders of Inmobiliaria Colonial, S.A. (the "**Company**") resolves to ratify the Directors' Remuneration Policy, which was made available to the shareholders at the time of convening the General Meeting. It is hereby stated that, for the purposes of article 217 of the Limited Liability Companies Law, the Policy in question expressly includes the maximum amount of the remuneration of the Directors in their capacity as such.

**IV. Items regarding the amendment of the Company Bylaws and the Regulations of the Shareholders' Meeting.**

***Sixteenth.- Amendments to the Company Bylaws for the adaptation thereof to the latest legislative developments during 2015.***

**16.1 Amendment to article 2 of the Company Bylaws to adapt them to *Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law* after the amendments introduced by *Law 9/2015, of 25 May on urgent bankruptcy measures*.**

With the purpose of adapting the content of the Company Bylaws to the latest reforms of *Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law*, and in particular, incorporate into the Company Bylaws the latest measures introduced through *Law 9/2015, of 25 May on urgent bankruptcy measures*, it is agreed to approve the modification of the text of article 2 of the Company Bylaws, which will literally read as follows:

***"Article 2 - Registered office, branches and corporate website***

*The Company is of Spanish nationality and its registered office is in Barcelona, Avenida Diagonal, n°532.*

*By decision of the Governing Body, it may change its registered office within the national territory and establish, close or transfer any delegations, branches, offices and representations as deemed convenient or necessary to improve the development of the corporate purpose, both in Spain or overseas.*

*The Company shall have a corporate website approved by the General Meeting which will be entered in the Mercantile Registry. The Board of Directors can agree to the amendment, suppression and transfer of the corporate website."*

**16.2 Amendment to article 22 of the Company Bylaws to adapt them to *Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies***

**Law after the amendments introduced by Law 5/2015, of 27 April on the development of business financing.**

With the purpose of adapting the content of the Company Bylaws to the latest reforms of Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law, and in particular, incorporate into the Company Bylaws the latest measures introduced through Law 5/2015, of 27 April on the development of business financing, it is agreed to approve the modification of the text of article 22 of the Company Bylaws, which will literally read as follows:

**“Article 22.- Special constitution**

*Notwithstanding the provisions of the previous article, which stipulates that for a General Meeting held at first call to pass valid resolutions on capital increases and decreases, amendments to the Bylaws, the issue of bonds, convertible into shares or which attribute to the bondholder a share of the company’s earnings, the removal of or limits to the pre-emptive rights to acquire new shares, as well as the conversion, merger, spin-off or division of the Company and the transfer of the registered office to outside Spain, or any other matter determined by Law, shareholders present or represented must hold at least fifty per cent of the subscribed share capital with voting rights. If held at second call, the attendance of shareholders holding twenty-five per cent of the capital shall be sufficient.”*

**16.3 Amendment to article 32 of the Company Bylaws to adapt them to Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law after the amendments introduced by Law 22/2015, of 20 July on Accounts Audits.**

With the purpose of adapting the content of the Company Bylaws to the latest reforms of Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law, and in particular, incorporate into the Company Bylaws the latest measures introduced through Law 22/2015, of 20 July on Accounts Audits, it is agreed to approve the modification of the text of article 32 of the Company Bylaws, which will literally read as follows:

**“Article 32: Audit and Control Committee**

*The Audit and Control Committee shall be formed by a minimum of three and a maximum of eight directors, all of which must be non-executive directors, appointed by the Board of Directors. The Audit and Control Committee will also include the number of independent directors stipulated by law at any given time and at least one of them will be appointed taking into account the director's knowledge and experience regarding accounting and/or auditing.*

*All the members of the Audit and Control Committee shall have the pertinent technical knowledge relating to the sector to which the Company belongs.*

*The Audit and Control Committee will appoint a Chairman from among its members, who in any case must be an independent director. The Chairman of the Audit and Control Committee shall be replaced every four years, and may be re-elected after one year has elapsed from the date on which his/he term of office expired.*

*The Committee will also appoint a Secretary from among its members, or may designate the Secretary of the Board to fill this position. If the Secretary of the Committee is absent, the Secretary of the Board*

or, where applicable, the Deputy Secretary thereof will carry out these duties. The Committee may appoint, where applicable, a Deputy Chairman who must also be an independent director.

In any case, the Committee may avail itself of the technical assistance of the Secretary or the Deputy Secretary of the Board at its meetings, at the request of the Chairman of the Committee.

The members of the Committee shall be relieved of their duties once their tenure as a director ceases, or when agreed by the Board of Directors.

Without prejudice to any other functions attributed thereto by law, the Bylaws or the Regulations of the Board of Directors, the Audit and Control Committee must at least carry out the following:

1. Report to the General Shareholders' Meeting on any questions posed in relation to those matters for which the Committee is responsible and, in particular, on the results of the audit explaining how this has contributed to the integrity of the financial information and the role the committee has played in this process.
2. Monitor the effectiveness of the Company's internal control, internal audit and risk management systems, and discuss with the external auditors any significant weaknesses detected in the internal control system during the course of the audit, without infringing their independence. To this end, and where applicable, they may present recommendations or proposals to the Board of Directors and the corresponding period for their monitoring.
3. Supervise the process of drawing up and presenting the required financial information and present recommendations or proposals to the Board of Directors, aimed at safeguarding their integrity.
4. Propose to the Board of Directors the selection, appointment, re-election and replacement of the auditor, taking responsibility for the process pursuant to the provisions of the legislation in force as well as the terms of its engagement, and regularly gather information therefrom regarding the audit plan and the implementation thereof, in addition to preserving its independence in the performance of its duties.
5. Establish the appropriate relationships with the external auditor to receive information on any issues which may be considered a threat to its independence and which will be studied by the Committee, and any other information relating to the audit, and where applicable, the authorisation of the services other than those prohibited, within the terms contemplated in the legislation in force, relating to rules on independence, as well as any other communications provided for in the legislation relating to auditing and the technical rules thereof. In any case, written confirmation must be received, on an annual basis, from the external auditor of its independence with respect to the Company or entities directly or indirectly connected thereto, as well as detailed and individual information on any type of additional services provided and the related fees received from these entities by the external auditor or by persons or entities related to the auditor pursuant to that provided in the regulatory standards of the activity of accounts audits.
6. Issue, on an annual basis and prior to the issuance of the auditor's report, a report expressing an opinion on whether the independence of the auditors or auditing companies has been compromised. Such report shall, in all cases, contain the reasoned evaluation of the provision of each and every one the additional services mentioned in the section above, considered individually and as a whole, other than legal audit services in relation to the rules on independence or in accordance with regulatory standards of the activity of accounts audits.

7. *Inform the Board of Directors of all matters established by Law, the Bylaws and the Regulations of the Board of Directors.*
8. *Prepare an annual report on the activities of the Audit and Control Committee, which must be included in the management report.*
9. *Propose to the Board of Directors any other matters that it deems relevant for which it is responsible.*
10. *Any other functions that may be attributed thereto by the Bylaws or the Regulations of the Board of Directors.*

*The Audit and Control Committee shall meet whenever requested to do so by at least two of its members, or at the behest of the Chairman, who is responsible for convening it. The call notice shall be valid provided it is sent by any means that allow acknowledgement of its receipt.*

*The Audit and Control Committee shall be validly convened when the majority of its members are present or represented, adopting resolutions by majority of those present or represented. The Committee member affected must abstain from participating in the deliberation and voting on resolutions or decisions in which such member or a person related thereto has a direct or indirect conflict of interest. Votes from directors affected by a conflict of interest and required to absent themselves from the meeting shall be deducted from the calculation of the majority of votes necessary. Proxies are granted in writing and specifically for each meeting and solely to other Committee members. The Chairman shall have a casting vote in the event of a tie.*

*Minutes will be taken of all Committee meetings and will be made available to all members of the Board of Directors.*

*The Regulations of the Board of Directors set forth these rules regarding the Audit and Control Committee, always favouring the independence of its functioning.”*

***Seventeenth.- Amendments to the Regulations of the Shareholders' Meeting, primarily to adapt them to the latest legislative changes carried out in 2015***

**17.1 Amendment to articles 5, 16 and 22 of the Company's Regulations of the Shareholders' Meeting, to adapt them to *Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law* following the modifications introduced by *Law 5/2015 of 27 April, supporting business financing***

In order to adapt the content of the Company's Regulations of the Shareholders' Meeting to the latest reforms of *Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law*, and in particular, to incorporate into those Regulations the latest measures introduced through *Law 5/2015 of 27 April, supporting business financing*, it is hereby resolved to approve the amendment of the text of articles 5, 6 and 22 of the Company's Regulations of the Shareholders' Meeting, to read as follows:

**“Article 5: Powers**

*As the sovereign body of the Company, the shareholders at their General Meeting shall adopt all pertinent resolutions in accordance with prevailing legislation and the Company Bylaws. In particular, the shareholders in General Meeting are entrusted with deliberating and reaching resolutions on the following matters:*

- *Approval of the Company's annual individual and consolidated financial statements, the distribution of profits or the application of losses, and approval of the Company's management*
- *Appointment and removal of directors, liquidators and, where applicable, the statutory auditors, bearing responsibility for the Company's actions vis-à-vis such individuals*
- *Amendment of the Company's Bylaws*
- *Capital increases or decreases, without prejudice to any powers delegated to the Board of Directors in that regard*
- *Removal or limitation of preferential subscription rights, without prejudice to any powers delegated to the Board of Directors in that regard*
- *Acquisition, disposal or contribution to another company of core assets. Assets are deemed to be core assets when the transaction amount exceeds 25% of the carrying amount of the assets on the last approved balance sheet.*
- *Transfer to subsidiaries of core activities previously carried out by the Company, even while the latter retains full control of the former. Activities and operating assets are deemed to be core activities and operating assets, respectively, when the transaction amount exceeds 25% of total assets shown on the balance sheet.*
- *Transformation, merger, spin-off or global transfer of assets and liabilities, and the relocation of the Company's registered offices to outside Spain*
- *Issue of bonds convertible into shares or that attribute a share of the Company's earnings to the bondholders, without prejudice to any powers delegated to the Board of Directors in that regard*
- *Authorisation to acquire treasury shares within the legal limits, except for cases of unrestricted acquisition foreseen in prevailing legislation*
- *Winding up of the Company*
- *Transactions that effectively add up to liquidation of the Company*
- *Approval of the final liquidation balance sheet*
- *The policy for remunerating Board members, in accordance with prevailing legislation*
- *Approval and amendment of these Regulations*
- *Any other matters determined by Law or the By-laws"*

#### ***"Article 16: Constitution of the Shareholders' Meeting***

*The General Shareholders' Meeting will be deemed validly convened on first call when shareholders present or represented hold at least 25% of subscribed share capital bearing voting rights. The General Shareholders' Meeting will be deemed validity convened on second call, regardless of the percentage of subscribed capital represented therein.*

*Notwithstanding the provisions of the previous paragraph, which stipulates that for a General Meeting held at first call to pass valid resolutions on capital increases and decreases, amendments to the Bylaws, the issue of bonds that are convertible into shares or bonds that attribute a share in the Company's earnings to bondholders, the removal of or limits to the pre-emptive rights to acquire new shares, as well as the conversion, merger, spin-off or division of the Company and the relocation of the registered office to outside Spain, or any other matter determined by Law, shareholders present or represented must hold at least 50% of the subscribed share capital with voting rights. If held at second call, the attendance of shareholders holding twenty-five per cent of the capital shall be sufficient.*

*The content of this article is without prejudice to the reinforced quorums for constitution or voting established by law or in the Bylaws.*

*Shareholders voting remotely, pursuant to the terms of the corresponding meeting notice, shall be considered in attendance for the purposes of constituting the General Meeting.*

*Should shareholders leave the meeting once it has been deemed properly constituted, this will not affect the validity of the meeting.*

*The Board of Directors need not be in attendance for the General Meeting to be deemed validly convened."*

***"Article 22: Adoption of resolutions***

*Once all shareholders have finished their presentations, a vote will be held on the proposed resolutions on agenda item matters and on those matters not legally required to be stated on the agenda.*

*Adoption of a resolution at the General Shareholders' Meeting requires the favourable vote of a simple majority of the shareholders present or represented therein. A resolution will be considered adopted when more votes are cast in favour than against, out of the capital present or represented.*

*For a General Meeting to pass valid resolutions on capital increases and decreases, amendments to the Bylaws, the issue of bonds that are convertible into shares or bonds that attribute a share in the Company's earnings to bondholders, the removal of or limits to the pre-emptive rights to acquire new shares, as well as the conversion, merger, spin-off or division of the Company and the relocation of the registered office to outside Spain, or any other matter determined by Law, a resolution may be taken by an absolute majority vote, providing the capital present or represented exceeds 50% of all subscribed capital. However, the favourable vote of shareholders holding two-thirds of the share capital attending the meeting in person or by proxy will be required when, on second call, at least 25% but less than 50% of the subscribed share capital with voting rights is in attendance.*

*Each share carries the right to one vote.*

*Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. In any event, even if listed as the same agenda item, separate votes should be taken on the following matters: (i) the appointment, ratification, re-appointment or removal of each director; (ii) when amending the Bylaws, each article or group of articles that can be considered independently; and (iii) those matters for which separate voting is required by Law or the By-laws.*

*Entities duly registered as shareholders through book annotations but that act on behalf of different individuals, may split their vote and exercise it in conflicting senses, in order to comply with any contradictory voting instructions received.*

*These intermediaries may also delegate their vote to each of the indirect owners or third parties designated thereby, without a limit to the number of delegations granted.*

*For each agenda item, the proposed resolutions formulated by the Board of Directors shall be put to vote and, subsequently and where applicable, a vote will be held for any other proposals put forward, in the order they were made. In any event, once a proposed resolution is adopted, all other proposals on that same matter that are incompatible with the adopted resolution shall be automatically dismissed and no votes shall be taken thereon.*

*The Secretary will not be required to set out or read those proposed resolutions whose texts had been made available to the shareholders prior to the General Meeting, except where, for all or some of the proposals, such a reading is requested, either in part or in full, by any shareholder, or where the Chairman deems that such a reading is advisable. In any event, the shareholders will be informed of the agenda item corresponding to the proposed resolution being voted on.*

*The Secretary may set out or read a summary of the proposed resolutions whose texts have been made available to the shareholders prior to the General Meeting.*

*As a general rule to ensure smooth functioning of the General Meeting, resolutions will be voted on in accordance with the following procedure, on the understanding that any shareholder leaving the meeting room prior to a vote without indicating his or her intention to leave and the agenda item at which the absence occurred effectively votes in favour of the proposals presented or assumed by the Board of Directors in connection with the agenda items during the absence:*

- a) *In the case of resolutions on matters included in the agenda, the votes of all shareholders in attendance or represented, as indicated in the attendance list, will be considered to be in favour of the proposal presented or assumed by the Board and subject to vote, less: 1) those votes corresponding to shares whose owners or proxy representatives had indicated to the Secretary, or to the individual designated thereby, that they were leaving the meeting prior to the vote; 2) any votes against; 3) abstentions; and 4) scratch ballots.*

*For the purposes of the vote, the Chairman, or the person designated thereby, will call for the votes against and subsequently for any abstentions. Therefore, it is unnecessary to call for any votes in favour.*

*Scratch ballots will only be taken into account when the casting shareholder expressly requests as much. In this case, the Chairman, or the person designated thereby, may not raise any questions in that regard.*

- b) *In the case of resolutions on matters not included in the agenda or on proposals not assumed by the Board, the votes of all shareholders in attendance or represented, as indicated in the attendance list, will be considered to be votes against, less: 1) those votes corresponding to shares whose owners or proxy representatives had indicated to the Secretary, or to the individual designated thereby, that they were leaving the meeting prior to the vote; 2) any votes for; 3) abstentions; and 4) scratch ballots.*

*Nevertheless, when any shareholder duly exercises the right to add to the agenda or to present new proposed resolutions prior to the General Meeting date, all such items or alternative proposals must be subject to a vote, applying the same voting rules as for those items or proposals put forth by the Board of Directors, in particular including the assumptions or deductions of votes for and against.*

*For the purposes of the vote, the Chairman, or the person designated thereby, will call for the votes in favour and subsequently for any abstentions. Therefore, it is unnecessary to call for any votes against.*

*Scratch ballots will only be taken into account when the casting shareholder expressly requests as much. In this case, the Chairman may not raise any questions in that regard.*

*A shareholder or proxy representative leaving the meeting room must inform the Secretary, or the person designated thereby, through a written, signed notice, indicating the number of shares owned and/or represented and the next agenda item to be voted on after the shareholder or proxy leaves the room. To that end, the written vote card given to the shareholder or proxy representative upon registering for the attendance list may be used.*

*Notwithstanding the above, if the Chairman deems appropriate, any other voting system may be established, provided it indicates that the number of favourable votes needed for approval were issued and allows the result of the vote to be cited in the minutes. This includes written votes using ballots provided at the General Meeting, employing the tables and systems used for recording attendance, or any technical means available for voting at a general meeting. In any case and independently of the voting system used, any shareholder may have his or her opposition to a resolution noted in the minutes. If the vote was not verbal, the shareholder must expressly indicate this desire to the Secretary and to any notary public in attendance for keeping the minutes.*

*In the event two shareholder tellers were not previously designated by the shareholders in General Meeting, the Chairman and the Secretary shall be responsible for counting the votes.*

*For each proposed resolution, the number of shares against which valid votes were issued will be calculated, along with the portion of total capital represented by these votes, the total number of valid votes, the number of votes for and against each proposal and any abstentions."*

**17.2 Amendment to article 8 of the Company's Regulations of the Shareholders' Meeting, to adapt them to Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law, following the modifications introduced by Voluntary Jurisdiction Law 15/2015 of 2 July**

In order to adapt the content of the Company's Regulations of the Shareholders' Meeting to the latest reforms of Royal Legislative Decree 1/2010 of 2 July, approving the Consolidated Text of the Spanish Limited Liability Companies Law, and in particular, to incorporate into those Regulations the latest measures introduced through Voluntary Jurisdiction Law 15/2015 of 2 July, it is hereby resolved to approve the amendment of the text of article 8 of the Company's Regulations of the Shareholders' Meeting, to read as follows:

**"Article 8. Meeting ordered by the court or by the registry**

*In the event the Ordinary General Shareholders' Meeting is not convened within the period specific by law, the Commercial Court clerk or the Mercantile Registrar corresponding to the Company's registered address may convene the meeting at the request of the shareholders and after holding a hearing with the directors. The clerk or the registrar may also designate the individual to preside the meeting.*

*The above also applies to the Extraordinary General Shareholders' Meeting, when so requested by the number of shareholders determined in article 6.3 of these Regulations."*

**17.3 Amendment to article 18 of the Company's Regulations of the Shareholders' Meeting, to adapt its content to the provisions of several articles of the Regulations of the Shareholders' Meeting and the Company Bylaws in relation to the right to attend the General Shareholders' Meeting**

In order to bring the content of article 18 of the Regulations of the Shareholders' Meeting into line with article 12 of that same text and with article 19 of the Bylaws, in relation to the right to attend the General Shareholders' Meeting, it is hereby resolved to approve the amendment of the text of article 18 of the Company's Regulations of the Shareholders' Meeting, to read as follows:

***"Article 18: Attendance list***

*Prior to addressing the agenda items, a list of attendees will be prepared, stating the nature or proxy representation of each person in attendance and the number of shares owned or represented thereby.*

*The right to attend the meeting may be evidenced through the corresponding attendance card or validly-issued certificate and by presenting the pertinent identity documents and, where applicable, ownership or proxy representation for the shares required, at least five days prior to the meeting date.*

*Shareholders wishing to vote remotely, providing this possibility is foreseen in the meeting notice, must evidence their identity and shareholder status, as stipulated by the Board of Directors in the meeting notice.*

*Shareholders or shareholder proxies arriving at the General Meeting place after the shareholders in attendance have already begun to examine and deliberate on the agenda items will not be included in the attendance list.*

*Nevertheless, the Chairman may decide to delay the closure of the attendance list for a number of minutes, in order to allow for last-minute bottlenecks of arriving shareholders. In this case, the list may provisionally be closed in order to calculate whether a quorum has been reached to validly convene the General Meeting. In any event, the list must be definitively closed and the definitive quorum determined prior to beginning any debates on the agenda items.*

*At the end of the list, the number of shareholders present or represented will be indicated, along with the amount of capital they own or represent, specifying the amount of shares that carry voting rights.*

*The Secretary shall include the attendance list at the head of the minutes or attach the list thereto as an appendix, duly approved by the Chairman. If the minutes are taken by a notary public, the attendance list need only be attached to the minutes.*

*The attendance list may also be included as an electronic file."*

#### **V. Items regarding the grouping of shares and the delegation of powers**

***Eighteenth.- Grouping and cancellation of the shares into which the company's capital is divided at the time when the resolution is implemented, for the exchange of the existing shares for new shares (reverse split), in the ratio of 1 new share for 10 old shares, increasing the current face value of €0.25 to €2.50 without affecting the total amount of the company's capital. Delegation of powers.***

The General Shareholders' Meeting of Inmobiliaria Colonial, S.A. ("Colonial" or the "Company") resolves to carry out a grouping of the shares for the exchange of the existing shares for new shares, in accordance with the terms and conditions set out below.

For the effects of the present resolution, all the words beginning with a capital letter, which are not expressly defined, will have the same meaning as in the directors' report giving rise to the present resolution.

##### **1. REVERSE SPLIT**

It is resolved to group and cancel all the shares into which the Company's capital is divided at the time of the implementation of the resolution, for the exchange of the existing shares for new shares, in the ratio of 1 new share for 10 old shares, increasing the current face value of €0.25 to €2.50 without affecting the total amount of the company's capital, and hence reducing the number of shares representing the Company's capital in circulation.

The new shares will be represented by book entries, corresponding to the accounting entries in Sociedad de Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("IBERCLEAR") and its members.

##### **2. EXCHANGE PROCEDURE**

The Company's shareholders will receive 1 new share, with a face value of €2.50, for every 10 old shares, with a face value of €0.25 each; thus the Company's capital, presently divided into shares with a face value of €0.25 each, will be grouped and cancelled for the purpose of exchanging them for new shares, with a face value of €2.50, represented by book entries.

The exchange will take place as of the date set by the Board of Directors which will be indicated in the announcements to be published in the Official Bulletin of the Mercantile Registry (BORME in Spanish), in a national newspaper, and in the bulletins of the Spanish stock exchanges.

Those shareholders who are recorded as such in the books of IBERCLEAR and its members at the market close of the trading day immediately preceding the effective date of the grouping will have the right to receive 1 new share for every 10 old shares, with the exchange being carried out automatically.

The exchange will be carried out in accordance with the procedures applicable to securities represented by book entries, through the corresponding stock exchange members.

### **3. TREATMENT OF FRACTIONAL SHARES**

Those shareholders whose holding does not number a multiple of 10 will have the options of:

- i) purchasing or selling a number of shares to bring their total to a multiple of that established in the exchange ratio; or
- ii) forming groups among themselves for the exchange of existing shares for new ones.

If, at the end of the session on the day prior to that when the exchange of shares is to be effected, there remain shareholders with a number of shares which is not a multiple of 10 in accordance with the fixed exchange ratio, the Board of Directors will be empowered to designate an entity of its choice to act as agent, and grant said agent a mandate to acquire the outstanding shares. The purchase price will be the closing price of the share on that day, with no sales cost being incurred by the holders of these shares, except the costs and brokerage that may be applied by the depositary banks.

The amounts corresponding to the purchase of these fractional shares will be paid by the IBERCLEAR members for payment into the accounts of the shareholders who have deposited their shares in the Company with these institutions. This payment will be coordinated by an entity acting as agent.

### **4. APPLICATION FOR LISTING**

The power to request the simultaneous de-listing of the old shares and listing of the new shares is delegated to the Board of Directors. This will take place once the public deed formalising the grouping of the shares outstanding at the time of the execution of the resolution and exchange of said shares for new ones with a different face value. The power refers to the listing of the shares on the Madrid and Barcelona stock markets and any other national or international market on which the Company's shares may be listed when the present resolution is executed, and to their inclusion in the Spanish Stock Market Interconnection System (SIBE in Spanish). The Board is expressly empowered to delegate this power to the Chairman of the Board of directors, the Chief Executive Officer, the Secretary or the Deputy Secretary.

It is expressly stated that, if the de-listing of the Company is subsequently requested, this will be adopted in compliance with the formalities and requirements of the legislation in force.

### **5. AMENDMENT OF ARTICLE 5 OF THE BYLAWS.**

The power to rewrite article 5 of the Company's Bylaws in regard to the number and nominal value of the shares, once the grouping and exchange of shares referred to in the present resolution is completed, is expressly delegated to the Board of Directors.

### **6. CONDITION FOR THE EXECUTION OF THE PRESENT RESOLUTION**

It is agreed that the implementation of the reverse split shall be conditional on the company's capital being divided at that time into a number of shares such that the reverse split may be carried out, i.e. that the number of the Company's shares is a multiple of 10.

### **7. DELEGATION OF POWERS.**

Without prejudice to the specific delegations of powers established in the preceding sections (which should be understood to have been granted with express powers to delegate in turn to the persons

specified here), it is agreed to grant the Board of Directors the fullest powers that may be required by Law, and expressly empower it to delegate this power to the Chairman of the Board of directors, the Chief Executive Officer, the Secretary or the Deputy Secretary, so that any of them, with his/her signature alone, may execute the present resolution within the term of one year from the date of the present General Meeting, after which period, if this has not been put into effect, it will become null and void. In particular, they may, by way of indication but not limitation:

- i) Declare that the condition to which the present resolution on the reverse split is subject, detailed in section 6 above, has been fulfilled;
- ii) Carry out all the actions necessary for the purpose of complying with the requirements of *Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated text of the Spanish Limited Liability Companies Law, Royal Legislative Decree 4/2015, of 23 October, approving the Consolidated text of the Spanish Securities Markets Law, Royal Decree 878/2015, of 2 October, on the clearing, settlement and recording of transferable securities represented in book-entry form, on the legal regime of the central securities depositaries and central counterparties, and on the transparency requirements for issuers of securities admitted to trading in a regulated market* and other applicable legislation, including the publication of the corresponding announcements that may be mandatory;
- iii) Carry out, in the name of the Company, any action, statement or measure, draw up, subscribe and present any necessary documentation or information to the Spanish National Securities Markets Commission (the “**CNMV**” in Spanish), the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U., the governing bodies of the Stock Exchanges or any other body, entity or register, public or private, Spanish or foreign, with regard to the execution of the reverse split to which this resolution refers;
- iv) Appear before the Notary Public of their choice to certify the resolution modifying the face value of the shares, do whatever may be necessary, and approve and formalise whatever public and private documents are necessary or useful for the resolution to be fully effective in any of its aspects or contents and, in particular, to make good, clarify, interpret, complete or specify, if necessary, the resolution adopted and, in particular, to make good any defects, errors or omissions that may be noticed in the Company Register's verbal or written authorisation;
- v) Request the de-listing of the old shares and the simultaneous listing of the new shares on the Madrid and Barcelona Stock Exchanges and/or in any other market in which the Company's shares may be listed when the present resolution is implemented, and their inclusion in the Spanish Stock Market Interconnection System (SIBE);
- vi) Determine the procedure for the exchange of the shares with regard to all the aspects not covered by the present resolution, including fixing the date when the grouping will take effect;
- vii) Designate and grant, as appropriate, a mandate to an agent to purchase the fractional shares of those shareholders who at the effective date of the grouping are holders of a number of old shares that does not entitle them to receive a whole number of new shares in exchange;
- viii) Declare that the present reverse split resolution has been executed in full and, in consequence, modify the wording of article 5 of the Bylaws in the terms approved by the present General Meeting, and

In general, take whatever actions are necessary or useful for the correct implementation of the present resolution.

***Nineteenth.- Delegation of powers.***

To expressly empower the Chairman of the Board, Mr. Juan José Brugera Clavero, the Chief Executive Officer, Mr. Pedro Viñolas Serra, the Secretary to the Board, Mr. Francisco Palá Laguna, and the Deputy Secretary to the Board, Ms. Nuria Oferil Coll, so that, with regard to the motions adopted by this General Shareholders Meeting, they may:

- notarise said motions, empowering them especially and severally in everything necessary for their implementation and execution;
- sign whatever public or private documents may be necessary, and perform whatever actions may be required for their execution, including the publication of legal announcements, before any public or private bodies or channels, until they are registered in the relevant Mercantile Registry and the Property Registers; they may even execute deeds of ratification, rectification, remediation and clarification, according to the verbal suggestions or written authorisation of the Mercantile Registry (and may even request the partial inscription of the resolutions susceptible to inscription) and any other competent public or private body.
- draw up whatever public or private documents may be necessary or useful and perform whatever procedures may be relevant before the National Securities Markets Commission, Iberclear, the Stock Market companies and other competent bodies in order to implement and successfully fulfil the resolutions approved and for the processing of records and documentation of any kind that may be necessary before public or private bodies, and in general for any actions required relating to the resolutions adopted in this General Meeting.

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