



**REPORT PREPARED BY THE BOARD OF DIRECTORS OF INMOBILIARIA COLONIAL, S.A. REGARDING THE MOTION TO RATIFY AND APPOINT SHEIKH ALI JASSIM M. J. AL-THANI AS A DIRECTOR (ITEM ELEVENTH OF THE AGENDA).**

**1. Report from the Board**

The Board of Directors of Inmobiliaria Colonial, S.A. ("**Colonial**" or the "**Company**") have agreed to call an Ordinary General Meeting of Shareholders to be held on 27 June 2016 on first call and on 28 June 2016 on second call, and to propose before said meeting, as agenda item eleventh, the ratification and appointment of Sheikh Ali Jassim M. J. Al-Thani with the category of proprietary director, appointed by the Board of Directors by co-optation at the session held on 19 May 2009.

**2. Justification for the Motion**

The Colonial Ordinary General Meeting, held on 30 June 2014, set the number of the Company's Directors at 11. Following the resignation of a Director on 12 November 2015, the number of Directors on the Board has been reduced to 10. On the same date, in order to bring the membership of the Board into line with the shareholding structure and to fill the vacancy, Sheikh Ali Jassim M. J. Al-Thani was appointed as a Director of the Company by co-optation, at the proposal of the Qatar Investment Authority.

For the purposes of the motion for the ratification and appointment, the Board have favourably evaluated the report issued by the Appointments and Remuneration Committee after carrying out an analysis of the current composition of the Board, its needs and the composition of the shareholders of the company, and evaluating the conditions that the members of the board must meet in order to carry out their functions. The Board of Directors endorses the conclusions of the referred to report which is reproduced in the present report.

As a result of this appointment, together with that placed before the General Shareholders' Meeting, under item twelfth of the agenda, Qatar Investment Authority shall have two representatives on the Board of Directors which, in the opinion of the Board of Directors, is an adequate representation according to the shareholder structure of the Company.

The Board of Directors has evaluated the competence, merits and experience of Sheikh Ali Jassim M. J. Al-Thani for the purposes of his ratification and appointment, based on his academic profile and professional experience:

*More than 30 years professional experience, in collaboration with the Government of Qatar, mostly in the Commerce, Finance and Real Estate sectors. Senior Board Member in Strategy and Investment since 2007.*

*Vice-President, member of the Board of Directors and the Executive Committee of Housing Bank for Trade and Finance Of Jordan (listed company and the second most important bank in Jordan) since 1995; member of the board of directors and Vice-President of the United Arab Shipping Company in Dubai, UAE, since 2003; Vice-President of LQB - Libyan Qatari Bank since 2007 and in 2009 was named President and Managing Director of Qatar Navigation, a Qatari listed company, of which he has held a position on the Board of Directors since 2003. This Holding operates in the maritime transport and real estate sectors. Since 2012, member of the Board of Directors of QADIC-Qatar Abu Dhabi Investment*

*Company-, a company specialising in real estate investment and private equity. In November 2015 he was appointed as member of the board of Société Foncière Lyonnaise (SFL).*

The professional experience of Sheikh Ali Jassim M. J. Al-Thani detailed in the above paragraphs demonstrate that he has extensive knowledge and experience on the real estate sector at a national and international level.

To this end, the Board of Directors considers that Sheikh Ali Jassim M. J. Al-Thani is a person with professional and commercial experience that is honourable and casts no doubts about his capability to carry out an adequate and prudent management of the Company, and that he has the experience and merits necessary to propose his ratification and appointment as Member of the Board of Directors of Colonial, with the category of proprietary director for the statutory term of four years, before the General Shareholders' Meeting.

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**MOTION TO RATIFY AND APPOINT SHEIKH ALI JASSIM M. J. AL-THANI AS A DIRECTOR**

**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.

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This report was prepared and approved by the Board of Directors in Madrid, during its session on 23 May 2016.