

**PROPOSED RESOLUTIONS CONCERNING ITEMS ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF INMOBILIARIA COLONIAL, S.A. TO BE HELD ON 28 JUNE 2017 ON FIRST CALL, OR PRESUMABLY ON 29 JUNE 2017 ON SECOND CALL.**

**I. Items relating to the financial statements, distribution of profit and conduct of the business**

***One.- Examination and approval of the separate and consolidated financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2016.***

**1.1 Approval of the separate financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2016.**

It is agreed to approve the separate financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2016, including the balance sheet, the income statement, the statement of changes in equity, the statement of cash flows and the notes thereto.

**1.2 Approval of the consolidated financial statements of Inmobiliaria Colonial, S.A. for the year ended 31 December 2016.**

It is agreed to approve the consolidated financial statements of Inmobiliaria Colonial, S.A. and subsidiaries for the year ended 31 December 2016, including the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the consolidated notes thereto.

***Two.- Examination and approval of the proposed distribution of profit for the year ended 31 December 2016. Distribution of dividends.***

**2.1 Examination and approval of the proposed distribution of profit for the year ended 31 December 2016.**

As regards the separate financial statements of Inmobiliaria Colonial, S.A., showing a profit for the year ended 31 December 2016 of EUR 54,839,095.58, it is agreed to distribute such profit as follows:

- EUR 5,483,909.56 to the legal reserve.
- EUR 49,355,186.02 in dividends.

**2.2 Distribution of dividends.**

It is agreed to distribute a dividend of EUR 0.165 per share, which, given the number of shares currently in circulation, would entail a maximum total dividend of EUR 64,757,559.24. This maximum total dividend will be distributed with charge to (i) the EUR 49,355,186.02 earmarked for dividends referred to in resolution 2.1 above; and (ii) voluntary reserves, up to a maximum of EUR 15,402,373.22. The total amount of the dividend and, consequently, the amount of the reserves earmarked for payment of the dividend will be determined prior to the distribution according to the treasury shares held by Inmobiliaria Colonial, S.A.

The distribution of the dividend provided for in this second resolution (2.1 and 2.2) will be made through the participating entities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), authorising for this purpose the Board of Directors, with the express power of substitution, to set the specific date of payment of the dividend, designate the entity that is to act as payment agent and to take such other steps as may be required or appropriate for the successful completion of the distribution.

***Three.- Examination and approval of the separate and consolidated directors' reports of Inmobiliaria Colonial, S.A., and approval of the conduct of business by the Board of Directors for the year ended 31 December 2016.***

It is agreed to approve the separate and consolidated directors' reports of Inmobiliaria Colonial, S.A. (the "**Company**") for the year ended 31 December 2016, including the Company's Annual Corporate Governance Report at 31 December 2016.

It is also agreed to approve the management of the Company's Board of Directors, Chairman and the Chief Executive Officer for the year ended 31 December 2016, in the light of the Company's separate and consolidated directors' reports, which have been made available to shareholders.

**II. Point concerning Inmobiliaria Colonial, S.A.'s application to the special tax system for SOCIMIs (*Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*, equivalent to REITs, i.e. Real Estate Investment Trusts).**

***Four.- Examination and approval of Inmobiliaria Colonial, S.A.'s application to the special tax system for SOCIMIs and consequent amendment of the bylaws and General Meeting of Shareholders' Regulations. In this regard, the following is proposed: (i) Inmobiliaria Colonial, S.A.'s application to the special tax system for SOCIMIs; (ii) the amendment of Inmobiliaria Colonial, S.A.'s company name and transformation of book entries representing shares into registered book entries for the purposes of adaptation to the provisions of Law 11/2009 of 26 October governing Real Estate Investment Trusts; (iii) the amendment of Articles 1 ("Company name), 3 ("Business purpose), 5 ("Share capital") and 37 ("Reserves. Distribution of dividends") of the bylaws of Inmobiliaria Colonial, S.A. for the purposes of adaptation to the provisions of Law 11/2009 of 26 October governing Real Estate Investment Trusts; (iv) the addition of two new articles to the bylaws of Inmobiliaria Colonial, S.A. concerning ancillary provisions and special rules for the distribution of dividends; (v) the amendment of the General Meeting of Shareholders' Regulations of Inmobiliaria Colonial, S.A. for the purposes of adaptation to the new company name; and (vi) the delegation of powers.***

**(i) Application of Inmobiliaria Colonial, S.A. to the special tax system for SOCIMIs (*Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*, equivalent to REITs, i.e. Real Estate Investment Trusts).**

For the purposes of enabling Inmobiliaria Colonial, S.A. (the "**Company**") to benefit from the special tax system for SOCIMIs (the "**SOCIMIs tax system**") stipulated in *Law 11/2009 of 26 October governing Real Estate Investment Trusts ("Law 11/2009")* and pursuant to the provisions of Article 8 of Law 11/2009, it is agreed that the Company avail itself of the SOCIMIs system stipulated in Law 11/2009, with effect as of the company year which commenced on 1 January 2017.

(ii) **Amendment of the business name of Inmobiliaria Colonial, S.A. and transformation of book entries representing shares into registered book entries for the purposes of adaptation to the provisions of Law 11/2009 of 26 October governing Real Estate Investment Trusts.**

Following the Company's decision to avail itself of the SOCIMIs System, pursuant to the provisions of Article 5 of Law 11/2009, it is agreed to amend the business name of Inmobiliaria Colonial, S.A. with the addition of the acronym "SOCIMI". The Company shall therefore be known henceforth as "Inmobiliaria Colonial, SOCIMI, S.A.".

Also, pursuant to the provisions of Article 4 of Law 11/2009, it is agreed to transform Company shares represented by book entries into registered book entries.

(iii) **Amendment of Articles 1 ("Company name"), 3 ("Business purpose"), 5 ("Share capital") and 37 ("Reserves. Distribution of dividends") of the bylaws of Inmobiliaria Colonial, S.A. for the purposes of adaptation to the provisions of Law 11/2009 of 26 October governing listed real estate investment trusts.**

In order to adapt the Company bylaws to the new business name, to the new method for representation of shares and to the provisions of Law 11/2009, it is agreed to amend the wording of Articles 1 ("Company name"), 3 ("Business purpose"), 5 ("Share capital") and 37 ("Reserves. Distribution of dividends") of the bylaws, which shall henceforth read as follows:

**"Article 1. Company name**

*The company is called "INMOBILIARIA COLONIAL, SOCIMI, S.A." (the "Company" or "Inmobiliaria Colonial") and is governed by these bylaws and, where any provision is made herein, by the precepts of the consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010 of 2 July (the "Spanish Limited Liability Companies Law"), and any other provisions that may be applicable."*

**"Article 3. Business purpose**

*The main business purpose of the Company is the exercise of the following activities, in Spain or in other countries:*

- 1. To acquire and develop urban real estate for lease.*
- 2. To hold stakes in the capital of real estate investment trusts ("SOCIMIs"), or in that of other companies not resident in Spain with the same business purpose as the aforesaid, that are subject to a system similar to that established for SOCIMIs in terms of mandatory distribution of profits, or distribution of profits established in law or in bylaws.*
- 3. To hold stakes in the capital of other companies, whether or not resident in Spain, the main business purpose of which is the acquisition of urban real estate for lease, subject to the same system as that established for SOCIMIs in terms of mandatory distribution of profits, or distribution of profits established in law or in the bylaws, which meet the investment requisites stipulated for such companies.*
- 4. To hold shares or stakes in Collective Real Estate Investment Undertakings regulated by Law 35/2003 of 4 November on Collective Investment Undertakings, or any future regulation replacing it.*

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*The aforesaid activities include in all cases the power to sell or encumber the properties or shareholdings owned by the Company.*

*In addition to the economic activity arising from the main business purpose, the Company may also carry out other ancillary activities, understood as those the revenue from which accounts for less than 20% of Company revenue during each tax period, or those that may be considered as ancillary in accordance with the law applicable at any given time including, in any case, the management, refurbishment and operation of real estate and all manner of studies, reports, appraisals, valuations and expert reports; and, in general, provision of real estate consultancy and advisory services, management, development and sale of property assets and technical assistance by contract to other public or private companies or organisations.*

*Any corporate activities that are exclusively attributed to specific companies are expressly excluded from its corporate activities.*

*All activities forming part of the business purpose shall be carried out in the manner authorised by the laws prevailing at any given time, with express exclusion of any exclusive activities that are conferred on natural persons or legal entities other than this Company by the laws in force.*

*The activities stipulated may also be carried out by the Company totally or partially in an indirect manner, through interests in other companies with the same or similar business purpose.”*

**“Article 5. Share capital**

*Share capital is set at NINE HUNDRED AND EIGHTY-ONE MILLION ONE HUNDRED AND SEVENTY-FIVE THOUSAND ONE HUNDRED AND FORTY EUROS (EUR 981,175,140.00), divided into 392,470,056 shares, represented by registered book entries with a par value of EUR 2.50 each, of the same class and series, fully subscribed and paid up.*

*The accounting records of the shares shall be kept by Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Iberclear) and the entities participating therein.*

*At any time, the Company shall be entitled to obtain data on the shareholders from the entities keeping the accounting records for the book entries, including their addresses and the means of contact available.”*

**“Article 37. Reserves. Distribution of dividends**

*The shareholders at the General Meeting shall resolve to distribute profit, with strict observance of any legal provisions applicable to the Company at any given time.*

*Dividends shall be distributed shareholders in proportion to the capital they have disbursed.*

*The shareholders at the General Meeting or the Board may resolve to distribute interim dividends with the limitations and in compliance with the requirements of the regulations applicable.”*

(iv) **Addition of two new articles to the bylaws of Inmobiliaria Colonial, S.A. concerning ancillary provisions and special rules for the distribution of dividends.**

To enable the Company to meet tax obligations arising from its application to the system for SOCIMIs, and to enable it to secure compensation for any loss that may be incurred by taxation of certain shareholders, it is agreed to add two new articles to the bylaws concerning ancillary provisions (Article 8 bis, “*Ancillary provisions*”) and special rules for the distribution of dividends (Article 37 bis, “*Special rules for the distribution of dividends*”), which shall now read as follows:

**“Article 8 bis. Ancillary provisions**

*Company shareholders who are in any of the situations described in this article shall be obliged to comply with the ancillary provisions described below.*

*The ancillary provisions set out in this article shall not entail any payment by the Company to the shareholder concerned in each case. Furthermore, without prejudice to the provisions of this article and Article 37 bis of these bylaws, the transfer of Company shares (including, therefore, this ancillary provision) is expressly authorised for all purposes between the living or in contemplation of death.*

*1. Disclosure obligations for shareholders holding significant equity interests*

*(a) Any shareholder who holds Company shares in a percentage equal to or greater than 5% of the share capital must disclose this fact to the Board of Directors. In addition to this disclosure, such shareholder must provide a certificate issued by a duly authorised person that certifies for the shareholder the effective tax rate to which the dividend distributed by the Company is subject, together with a statement as to whether he/she is the effective beneficiary of such dividend. This disclosure obligation is laid down for the purpose of informing the Company if, for this shareholder, the dividend distributed by the Company is subject to an effective tax rate lower than 10%.*

*The percentage ownership interest and taxation indicated in the preceding paragraph correspond to those stipulated in Article 9.2 of Law 11/2009 of 26 October governing Real Estate Investment Trusts (the “**SOCIMIS Law**”) and, consequently, they are understood to have been automatically changed should this rule be amended or replaced by another.*

*When the holder of the shares indicated in this section is:*

*(i) A depository institution that is formally legitimised as a shareholder in the accounting records but acts on behalf of one or more third parties, then the percentage ownership interest and taxation referred to in this section are those of such third parties and not of the depository.*

*(ii) A foreign entity to which a regime similar to the regime provided for in the SOCIMIS Law is applicable, then the percentage ownership interest and taxation provided in this section shall relate to each of its shareholders.*

*(iii) A look-through entity, then the percentage ownership interest and taxation provided for in this section shall relate to each of its partners, shareholders or unitholders.*

*(b) Also, as a result of Inmobiliaria Colonial’s ownership interest in the French company Société Foncière Lyonnaise (“**SFL**”), any shareholder that is not an individual and directly*

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*or indirectly holds shares of Inmobiliaria Colonial in a percentage equal to or greater than 10% of the share capital must report this fact to the Board of Directors of Inmobiliaria Colonial. In addition to this disclosure, such shareholder must provide a certificate issued by a duly authorised person that certifies for the shareholder the effective tax rate to which the dividend distributed by the Company is subject, together with a statement as to whether he/she is the beneficial owner of such dividend. This disclosure obligation is laid down for the purposes of informing the Company if, for such shareholder, the effective tax rate to which the dividend distributed by the Company is subject gives rise to the accrual by SFL of the French tax provided for in French law in 208.c of the French General Tax Code (“Code Général des Impôts”).*

*In this regard, under the Code Général des Impôts, SFL must pay a rate of 20% on the dividend distributed to Inmobiliaria Colonial when the dividend, which is in turn distributed by Inmobiliaria Colonial to any of its shareholders that are not individuals holding at least 10% of its share capital, is subject for such shareholders to a rate less than one third (1/3) of the French income tax rate, i.e. 11.15% depending on the prevailing rate.*

*The percentage ownership interest and taxation referred to in this section (b) correspond to those provided in the Code Général des Impôts and, consequently, shall be understood to have been automatically modified should this rule be modified or replaced by another.*

*When the holder of the shares is a depository institution that is formally legitimised as a shareholder in the accounting records but acts on behalf of one or more third parties, then the percentage ownership interest and taxation referred to in this section shall relate to those of such third parties and not of the depository.*

- (c) *Any shareholder affected by any of the scenarios stipulated in sections (a) and (b) above must:*
- (i) *notify the Board of Directors of any acquisition or transfer of Company shares, irrespective of the number of shares acquired or transferred;*
  - (ii) *provide, within ten calendar days of the date on which Inmobiliaria Colonial or SFL agree at any time to distribute any dividend or similar amount (e.g. reserves), tax certificates as stipulated in sections (a) and (b) above. For this purpose, the Company must, by publishing the related relevant event, report to the market any agreement to distribute dividends by Inmobiliaria Colonial or SFL, indicating in all cases the date or dates to which the information contained in such certificates must refer, in order to comply with the tax obligations applicable at all times.*
  - (iii) *provide (or request third parties to provide) to the Board of Directors the information in writing that the Company requires regarding the effective ownership of the shares or interest in them (accompanied, were the Company to so require, by a formal or notarised statement and/or independent evidence), including any information that the Company deems necessary or advisable for the purposes of determining whether these shareholders or third parties are affected by any of the scenarios described in paragraphs (a) and (b) above. The Company may make such a request at any time and may send one or more requests for information on the same shares.*

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- (d) *The provisions of sections (a) to (c) above shall also apply to any persons holding dividend rights, voting rights or financial instruments on Company shares in the percentages stipulated in sections (a) and (b) above.*
- (e) *If the person subject to the disclosure obligation fails to comply with sections (a) to (c) above, the Board of Directors shall consider that the dividend is exempt of tax for this shareholder or is taxed at a rate lower than those stipulated in paragraphs (a) and (b) above.*

*Notwithstanding the foregoing, the Board of Directors may request, at the expense of the shareholder failing to comply with the disclosure obligation stipulated in the preceding paragraphs, a legal report from a renowned law firm in the country in which the shareholder resides to declare the effective tax rate to which the dividend distributed to the shareholder by the Company is subject. The expenses incurred by the Company in requesting this report shall in all cases be considered as compensation for the purposes stipulated in this article.*

2. *Compensation obligations for shareholders holding significant equity interests*

- (a) *In cases where, as a result of any of the shareholders being affected by the scenarios established in section 1 of this article of the bylaws, the following events arise:*

- (i) *the Company is obliged to pay the special rate provided for in Article 9.2 of the SOCIMIs Law, or any regulation replacing it; or*
- (ii) *distribution of the SFL dividend to Inmobiliaria Colonial accrues the rate established in the French General Tax Code, or any regulation replacing it,*

*these shareholders shall be obliged to compensate the Company for the losses caused, as provided for in the following sections.*

- (b) *The amount of compensation for each shareholder occasioning losses shall be the sum of:*

- (i) *any income tax expense arising for the Company from payment to this shareholder of the dividend serving as a basis for calculating the special tax provided for in Article 9.2 of the SOCIMIs Law, or any regulation replacing it; and*
- (ii) *the amount that, as provided for in SFL's bylaws, Inmobiliaria Colonial must pay SFL as a result of the tax accrued for SFL in accordance with the French General Tax Code or any regulation replacing it, due to taxation of the shareholders of Inmobiliaria Colonial. This amount shall be divided by the total number of Company shareholders whose taxation required Inmobiliaria Colonial to pay this amount to SFL, albeit on a pro rata basis proportional to the equity interests of each shareholder.*

*In any case, the Company must be held completely harmless in respect of the losses caused as a result of the effective tax rate to which the dividend distributed to shareholders by the Company is subject. In this regard, compensation shall in all cases include the amount which, once the income tax levied on the total amount of compensation has been deducted, offsets the expenses arising from the losses occasioned and the compensation applicable.*

*The amount of compensation shall be calculated by the Board of Directors, without prejudice to the fact that this calculation may be delegated to one or more directors and to independent third parties. Unless otherwise agreed by the Board of Directors,*

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*compensation shall be due the day before payment of the dividend by Inmobiliaria Colonial or SFL.*

*By way of example, **Appendix I** to these bylaws includes formulas for calculating compensation.*

- (c) *A person under the compensation obligation is deemed to be a person who, due to their ownership interest and tax features, has occasioned losses to the Company as stipulated in section (a) herein. For this purpose, the person occasioning losses shall be obliged to indemnify, and Inmobiliaria Colonial entitled to claim, the full amount corresponding to the compensation calculated in accordance with section (b) of this article, irrespective of whether the shareholder subsequently transferred some or all of his/her shares in the Company.*
- (d) *The compensation stipulated in the preceding sections shall be offset using any present and future dividends payable to the shareholder in the terms set forth in Article 37 bis of these bylaws, in addition to any other amounts owed by the Company. However, if Inmobiliaria Colonial should see fit, it may demand the compensation stipulated in the preceding sections at any time, by any methods permitted in law.*
- (e) *The compensation obligation stipulated in this section 2 shall also apply to any shareholders who, irrespective of the tax rate applicable for such shareholders on any dividends received from the Company, have failed to meet the disclosure obligations stipulated in section 1 above in this article.*
- (f) *In cases where payment in full of compensation may give rise to losses for the Company, the Board of Directors may in the same year compensate or require an amount less than the amount calculated in accordance with section (b) of this article.”*

**“APPENDIX I: EXAMPLE OF CALCULATION OF COMPENSATION**

*Following is an example of calculation of the compensation, showing that the effect of compensation on the Company’s income statement is zero:*

**CASE 1:**

*Shareholder of Inmobiliaria Colonial holding shares in the Company in a percentage equal to or greater than 5% of share capital, paying tax on the dividend distributed by the Company at an effective tax rate of less than 10%.*

$$I_E = DT_E * \% \text{acc} * GE_E * (1 + (Tg_E / (1 - Tg_E)))$$

*where:*

***DT<sub>E</sub>** : Total dividend distributed by Inmobiliaria Colonial to the shareholder.*

***% acc**: Percentage holdings of the shareholder in default.*

***GE<sub>E</sub>**: Special levy applicable in Spain (currently 19%).*

***I<sub>E</sub>**: Indemnity for Spanish dividend received by Inmobiliaria Colonial.*

***Tg<sub>E</sub>** : Tax rate in Spain which would be applicable to income from the indemnity received from the shareholder in default.*

**CASE 2:**

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Shareholder of Inmobiliaria Colonial that is not an individual and holds shares of the Company in a percentage equal to or greater than 10% of share capital, and pays tax on the dividend distributed by the Company at an effective rate of less than 1/3 of general French corporation tax.

$$I_F = DT_F * GE_F * (1 + (Tg_E / (1 - Tg_E)))$$

where:

**DT<sub>F</sub>** : Total dividend distributed by SFL to Inmobiliaria Colonial.

**GE<sub>F</sub>**: Special levy applicable in France (currently 20%).

**I<sub>F</sub>**: Indemnity for French dividend that shall be received by Inmobiliaria Colonial.

**Tg<sub>E</sub>** : Tax rate in Spain which would be applicable to income from the indemnity received from the shareholder in default.

### **CASE 3:**

Shareholders of Inmobiliaria Colonial that simultaneously meet the conditions stipulated in Case 1 and Case 2 above.

$$I_{E+F} = [DT_E * \% \text{acc} * GE_E * (1 + (Tg_E / (1 - Tg_E)))] + [DT_F * GE_F * (1 + (Tg_E / (1 - Tg_E)))]$$

where:

**DT<sub>E</sub>** : Total dividend distributed by Inmobiliaria Colonial to the shareholder.

**DT<sub>F</sub>** : Total dividend distributed by SFL to Inmobiliaria Colonial.

**% acc**: Percentage holdings of the shareholder in default.

**GE<sub>E</sub>**: Special levy applicable in Spain (currently 19%).

**GE<sub>F</sub>**: Special levy applicable in France (currently 20%).

**I<sub>E</sub>**: Indemnity for Spanish dividend received by Inmobiliaria Colonial.

**I<sub>F</sub>**: Indemnity for French dividend that shall be received by Inmobiliaria Colonial.

**Tg<sub>E</sub>** : Tax rate in Spain which would be applicable to income from the indemnity received from the shareholder in default.”

### **“Article 37 bis. Special rules for the distribution of dividends**

1. Those entitled to receive dividends shall be those listed as legitimate in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima Unipersonal (Iberclear) on the day or date determined by the General Meeting or, if applicable, the Board of Directors, which has agreed to carry out the distribution.
2. The dividend shall be payable within the next month from the date of the agreement for the distribution of dividends.
3. Once the dividend is approved by the shareholders at the General Meeting or, where applicable, by the Board of Directors, the Board, without prejudice to the possibility of delegation to one or more members of the Board, and to independent third parties, shall be responsible for calculating the amount corresponding to each shareholder considering, as the case may be, the provisions below.

For the purposes of calculating the amount to be paid to shareholders in connection with dividends, the Board shall consider the amount of the compensation owed to the Company by

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*shareholders in accordance with Article 8 bis of these bylaws, for the purposes of offsetting the amount of compensation with the dividend they would be entitled to receive.*

*In this regard, any present and future dividends payable to the shareholder shall be offset with any amounts that the shareholder may owe to the Company in accordance with Article 8 bis of these bylaws.*

4. *In cases in which the dividend is paid ahead of the timeframes stipulated for compliance with the ancillary provisions stipulated in Article 8 bis of these bylaws, the Company may withhold from Company shareholders who have not yet supplied the information and documentation required a sum equivalent to the amount of any compensation for which they may be liable in accordance with the stipulations of section 2 of Article 8 bis of these bylaws. Once the related ancillary provision has been met, the Company shall refund the amounts withheld from the shareholder who is not obliged to compensate the Company in accordance with the stipulations of section 2 of Article 8 bis of these bylaws.*
5. *If applicable, the rules established in this article shall also apply in cases of distribution to shareholders of amounts similar to the dividends (e.g. reserves)."*

**(v) Amendment of the General Meeting of Shareholders' Regulations of Inmobiliaria Colonial, S.A. for the purposes of adaptation to the new business name.**

For the purposes of adapting the General Meeting of Shareholders' Regulations to the Company's new business name, it is agreed to amend Article 1 of the General Meeting of Shareholders' Regulations of Inmobiliaria Colonial, S.A., which shall henceforth read as follows:

***"Article 1. Purpose***

*These Regulations of the General Meeting (hereinafter the "Regulations") govern the organisation and functioning of the General Meeting of Shareholders of Inmobiliaria Colonial, SOCIMI, S.A. (the "Company" or "Inmobiliaria Colonial") in accordance with law and, in particular, with the consolidated Spanish Limited Liability Companies Law as approved by Legislative Royal Decree 1/2010 of 2 July (hereinafter the "Spanish Limited Liability Companies Law"), and in the Company's bylaws."*

**(vi) Delegation of authority**

It is resolved to grant authorisation to the Board of Directors, with the entire scope required in law, with the express facility of delegation of powers to the Chairman, the Chief Executive Officer and the Board Secretary and Deputy Secretary, for any of them, indistinctly and with a single signature, to take any action that is necessary or advisable to execute this resolution, and specifically, although the following list is not exhaustive, to:

- Make any arrangements or take any action that is necessary or advisable to report the application of the SOCIMIs System to the branch of the State Tax Authority concerned, and to any public or private body that may be necessary or advisable;
- Make any arrangements and take any action that is necessary or advisable, including any notifications to any public or private bodies or entities, including Sociedad de Gestión de

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los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), its participating entities, the Spanish National Securities Market Commission (CNMV), the management companies of stock exchanges, and submit any relevant documentation;

- Commence the necessary proceedings and arrangements to ensure full compliance in due time and format with the requisites of Article 8 of Law 11/2009, in accordance with the provisions of Transitory Provision One of Law 11/2009; and
- Execute, on behalf of the Company, any public or private documents that are necessary or advisable to this end and, in general, make any arrangements that may be necessary for the execution thereof, and issue a request for partial entry, rectify, clarify, interpret, define or enhance the resolutions adopted by the shareholders at the General Meeting and, specifically, any defects, omissions or errors, in form or in substance, arising from verbal or written assessment preventing access of the resolutions and the related consequences to the Mercantile Registry, the official registries of the Spanish National Securities Market Commission (CNMV) or any others.

### III. Items concerning authorisations for the Board of Directors.

#### ***Five.- Authorisation to the Board of Directors for the buyback of treasury shares. Revocation of the authorisation granted through resolution eight of the Ordinary General Meeting on 30 June 2014.***

It is agreed to authorise the Board of Directors of Inmobiliaria Colonial, S.A. (the “**Company**”), to enable it, directly or indirectly, to the extent it deems appropriate in due consideration of circumstances, to arrange buybacks of Company shares within the legal limitations in place at any given time, pursuant to the terms and conditions stipulated below:

- Maximum number of shares to be purchased: the par value of the shares directly or indirectly acquired, added to those already held by the Company and its subsidiaries, may not exceed 10% of the subscribed share capital or the maximum amount that may be established in law.
- Minimum and maximum consideration when the purchase is onerous: The minimum acquisition price or consideration shall be EUR 0.01 per share, and the maximum acquisition price or consideration shall be equal to the quoted price of the treasury shares purchased in an official secondary market at the date of acquisition.
- Types of acquisition: The types of acquisition may include sale and purchase, swap or any other type of transaction for consideration according to the circumstances.
- Duration of authorisation: This authorisation is granted for a period of five years.

The authorisation granted expressly provides that the shares acquired may be used in whole or in part for delivery or transfer to the directors, executives or employees of the Company or Group companies, directly or as a result of their exercise of option rights, within the scope of the Company’s share price-based remuneration systems in due format.

It is also agreed to authorise the Company’s Board of Directors to purchase treasury shares as part of any shareholder withdrawal rights that may arise from the adoption of agreements granting such rights. However, in this case the limits stipulated in the regulations applicable shall apply in terms of number, price or procedure, and not those stipulated above.

It is agreed to grant authorisation to the Board of Directors, with the entire scope required in law, with the express delegation of powers to the Chairman, the Chief Executive Officer and the Board Secretary and Deputy Secretary, for any of them, indistinctly and with a single signature, to take any action that is necessary or advisable execute this resolution, and specifically, although the following list is not exhaustive, to request any authorisations and adopt any agreements that are necessary or advisable for the purposes of the legal regulations in place, performance and successful realisation of this resolution.

Approval of this resolution renders null and void the resolution to authorise the Board of Directors to buy back treasury shares, adopted as item eight on the Agenda of the Company's Ordinary General Meeting of Shareholders on 30 June 2014.

***Six.- Authorisation for the Board of Directors, in accordance with Article 297.1 b) of the Spanish Limited Liability Companies Law, to increase the share capital, within a maximum period of five years, through monetary contributions, up to half of the amount of the share capital, on one or more occasions, at the time and for the amount it deems appropriate. Within this maximum amount, the Board of Directors is empowered to disapply pre-emptive rights, limited to a maximum overall nominal amount equal to 20% of the share capital. Revocation of the authorisation granted through resolution nine of the Ordinary General Meeting of Shareholders on 28 June 2016.***

It is agreed to grant the Board of Directors of Inmobiliaria Colonial, S.A. ("**Colonial**" or the "**Company**"), in accordance with the provisions of Article 297.1 b) of the consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010 of 2 July (the "**Spanish Limited Liability Companies Law**"), with all the legal scope necessary to enable it, within five years of the date of this General Meeting, to increase share capital through monetary contributions, on one or more occasions and at any time, with no need to call a General Meeting or for a subsequent resolution of the shareholders.

The delegation of powers includes the power to issue new Colonial shares, either ordinary shares or shares of any other type permitted in law, with or without a share premium and with or without voting rights, with the power to stipulate the characteristics of the shares and the terms and conditions of the capital increase, and to freely offer any new shares not subscribed during the pre-emptive period and establish that, in the event of an incomplete subscription, share capital shall be increased only by the amount of the subscriptions made. Powers are also delegated to reword the article in the bylaws concerning Colonial's share capital.

Any share capital increase agreed by the Board of Directors may not in any case exceed half of the Company's share capital at the time of authorisation. The Board is also empowered to totally or partially disapply pre-emptive rights in the terms of Article 308 - in relation to Article 506 - of the Spanish Limited Liability Companies Law and related provisions. However, in keeping with good governance trends and recommendations, the powers of the Board of Directors to increase share capital with the disapplication of pre-emptive rights are limited to a maximum of 20% of the share capital at the time of authorisation. An increase in share capital with the disapplication of pre-emptive rights with the maximum stipulated must be agreed pursuant to this delegation of powers by the Board of Directors, with an affirmative vote by two thirds of the directors.

The powers thus delegated extend to the establishment of the aspects and conditions of each issue, according to the characteristics and conditions of each operation decided by virtue of the authorisation referred to in this resolution, including the power to reword the article of the bylaws addressing share

capital, once the capital increase has been agreed and carried out, and also extend to making all the arrangements necessary to enable the new shares emerging from the capital increase to be admitted for trading on Spanish stock exchanges and, where applicable, foreign exchanges on which the Company shares are listed, in accordance with the procedures stipulated at each stock exchange.

Notwithstanding the specific delegations of powers in this resolution (which should be understood to have been granted with express powers to replace the persons indicated herein), it is agreed to empower the Board of Directors, with the scope required in law and with the express power to replace the Chairman, Chief Executive Officer and Secretary and Deputy Secretary of the Board, so that any of them, indistinctly and with a single signature, may take any action that is necessary or advisable to execute this resolution, and specifically, although the following list is not exhaustive, to:

- Extend and develop this resolution, establishing, where no provision is made herein, the terms and conditions of any issues carried out, including in all cases the power to disapply pre-emptive rights. In particular, without limitation, establish the date on which the capital increases are to be carried out, establishing where applicable the commencement of the pre-emptive period, the share premium of the new shares and, therefore, the type of issue of the new shares; establish, in the event of an incomplete subscription, the number of shares to be issued and the nominal amount of each capital increase depending on the issue price, timeframe, format and procedure for subscription and payment in each of the periods, where applicable, the exchange ratio for exercise of pre-emptive rights, including the right to propose to one or more shareholders a waiver of the number of pre-emptive rights held by them that may be necessary to ensure that the number of shares to be issued maintains exactly the same proportion as that arising from application of the agreed-on exchange ratio, establish scenarios to suspend the offer of the new shares if this proves necessary or advisable and, in general, any other circumstances that are necessary or advisable to carry out the increase and issue shares in exchange for monetary contributions.
- Agree the method used to place the shares, establishing the start date and, if necessary, modifying the term of the pre-emptive period and, where appropriate, establishing the length of any additional and discretionary allocation periods, with the power to declare early closure of the placement and issue period. Powers are also delegated to establish the conditions and procedure for subscription of shares, where applicable, during additional allocation periods and discretionary allocation periods, and in the case of the latter, assigning the shares to any third party in accordance with the placement method freely established;
- Prepare, subscribe and submit, as appropriate, to the Spanish National Securities Market Commission (the “**CNMV**”) or any other supervisory authority concerned, in respect of the issue and admission for trading of the new shares issued under this resolution, the prospectus and any supplementary materials that are necessary or advisable, taking responsibility therefor, and any documents and information required for the purposes of compliance with the provisions of the consolidated Spanish Securities Market Law approved by Legislative Royal Decree 4/2015 of 23 October, in *Royal Decree 1310/2005, of 4 November, on the admission o trading on official secondary markets of initial and secondary public offerings and the mandatory prospectus* and any other Spanish or foreign regulations that are applicable to execution of this resolution;
- Take any action, make any statements and any arrangements, draw up, sign and submit any additional or complementary documentation necessary to the CNMV, Iberclear, stock exchange management companies and any other Spanish or foreign public or private body, entity or registry for the purposes of authorisation, verification and subsequent performance of the

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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 foreign markets 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);

- Prepare, subscribe and submit, if necessary or advisable, an international prospectus in order to facilitate the dissemination of information on share capital increases to international shareholders and investors, undertaking responsibility for its contents on behalf of the Company;
- Negotiate and sign, as the case may be, in the terms deemed most appropriate, any agreements that are necessary or advisable for the successful outcome of the capital increase, including the agency contract and, if applicable, any placement and/or underwriting contracts as may be necessary or advisable;
- Declare the capital increase to have been performed, issuing any new shares that may have been subscribed and paid up, and rewriting the article of the bylaws addressing share capital in accordance with capital effectively subscribed and paid up, cancelling, where applicable, the portion of the capital increase that has not been subscribed and paid up in the terms established;
- Grant on behalf of the Company such public or private documents as are necessary or advisable 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 General Meeting of Shareholders and, in particular, such defects, omissions or errors, in substance or in form, arising from oral or written assessment which may prevent registration of the resolutions and related consequences at the Mercantile Registry, official CNMV registries or any others.

Approval of this resolution shall entail the nullity, from the time of approval of the resolution proposed by the General Meeting of Shareholders, of the unused portion of the preceding resolution for authorisation to the Board of Directors approved as item nine on the agenda of the Company's Ordinary General Meeting of Shareholders on 28 June 2016.

***Seven.- Authorisation to reduce the timeline for convening extraordinary general meetings of Inmobiliaria Colonial, S.A., pursuant to the provisions of Article 515 of the Spanish Limited Liability Companies Law.***

Pursuant to the provisions of Article 515 of the Revised Spanish Limited Liability Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July, authorisation and approval are issued for the extraordinary general meetings of Inmobiliaria Colonial, S.A. (the "**Company**") to be convened on minimum notice of 15 days, provided the Company offers shareholders the effective possibility of voting by electronic means that are available to all of them.

This authorisation is granted up to the date on which the Company's next Ordinary General Shareholders' Meeting is held.

**IV. Items relating to the appointment and remuneration of directors.**

***Eight.- Establishment of the number of Board members.***

It is agreed to establish the number of members of the Board of Directors of Inmobiliaria Colonial, S.A. as 10 directors, within the minimum and maximum limits stipulated in the bylaws.

***Nine.- Extension of the Share Allocation Plan approved by the General Meeting on 21 January 2014.***

It is agreed, at the proposal of the Appointments and Remuneration Committee of Inmobiliaria Colonial, S.A., to extend the duration of application of the share delivery plan approved by the shareholders at the General Meeting on 21 January 2014 for a further period of two years, in the terms and conditions stipulated therein.

***Ten.- Voting, for consultation purposes, on the Annual Remuneration Report concerning the directors of Inmobiliaria Colonial, S.A. for 2016.***

It is agreed to approve, for consultation purposes, the Annual Remuneration Report concerning the directors of Inmobiliaria Colonial, S.A. for 2016, which was made available to all shareholders in the call to the General Meeting.

**V. Information item*****Eleven - Report to the General Meeting on the amendment of certain articles of the Regulations of the Board of Directors.***

The shareholders are informed of the amendments made in certain articles of the Regulations of the Board of Directors of Inmobiliaria Colonial, S.A. (the “**Company**”). The main purpose of the amendments to the Regulations of the Board of Directors of the Company which affected articles 5, 13, 18, 32, 33, 36 and 37 was: (i) to adapt the Regulations of the Board of Directors to the new wording of the bylaws approved by the shareholders at the Company’s Ordinary General Meeting of Shareholders held on 28 June 2016 and the latest legislative developments (June 2016); (ii) to attribute to the Company’s Appointments and Remuneration Committee the powers to supervise compliance with the corporate governance rules (July 2016); and (iii) to establish the maximum number of boards of companies on which Company Directors may sit for the purposes of Recommendation 25 of the *Code of good governance of listed companies* published by the Spanish Securities Market Commission (CNMV) in February 2015 (May 2017).

**VI. Point relating to the delegation of powers*****Twelve.- Delegation of powers.***

It is expressly resolved to grant the Chairman of the Board of Directors of Inmobiliaria Colonial, S.A. (the “**Company**”), Mr. Juan José Brugera Clavero, the Chief Executive Officer, Mr. Pedro Viñolas Serra, the Board Secretary, Mr. Francisco Palá Laguna, and the Deputy Board Secretary, Ms. Nuria Oferil Coll, to enable them, with respect to the resolutions adopted at this General Meeting of Shareholders, to:

- Place these resolutions on public record, with the special joint and several powers necessary for the purposes of performance and compliance.
- Sign any public or private documents that are necessary or advisable and to take any opportune action, including the publication of legal notices with any public or private bodies or authorities, for the purposes of entry in the appropriate Mercantile Registries or Property Registries, with the power to issue deeds of ratification, rectification, correction and clarification, following verbal suggestions or written appraisals by the Mercantile Registry - with the power to request partial entry of recordable agreements - and by any other official public or private body;

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- Draw up any public or private documents that are necessary or advisable and take any action accordingly with the Spanish National Securities Market Commission (CNMV), Iberclear, stock exchange managed bodies and any other competent bodies to successfully execute the resolutions approved and to make arrangements for files and documentation of any kind as necessary with public or private bodies and, in general, for any action concerning the resolutions adopted at this General Meeting.

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