



**Investor Day**

[www.larespana.com](http://www.larespana.com)

**October 2016**

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# Corporate Governance and Social Responsibility



*Real Estate*

## Investor Day

**Alec Emmott**

Board Member Lar España

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**October 2016**

# Corporate Governance as a priority

## Lar España has prioritized best-in-class corporate governance

Pledge to guarantee that the Company's governance structures are adequately integrated and functioning as intended

## Objectives of the Action Plan 2014-2016



### Ensuring strong governance

- ✓ Transparency
- ✓ Business ethics
- ✓ Corporate social responsibility



### Transparency in management

- ✓ Director activities
- ✓ Selection and Remuneration
- ✓ Training



### Continuous monitoring

- ✓ Regulatory compliance
- ✓ Evaluating & improving board's performance
- ✓ Regular reporting

# Governance Structure

Independent and experienced Board: 4  
independent directors (4 out of 5)

**José Luis del Valle**

Chairman and  
Independent Director

**Roger Cooke**

Independent  
Director

**Pedro Luis Uriarte**

Independent  
Director

**Alec Emmott**

Independent  
Director

**Miguel Pereda**

Grupo Lar

**Juan Gomez-Acebo**

Secretary  
Non Member

Critical Activities internalized

**Sergio Criado**

CFO

**Jon Armentia**

Corporate  
Manager

**Susana Guerrero**

Legal  
Manager

**Hernán San Pedro**

Head of Investor  
Relations

**José Díaz Morales**

Interim Internal Audit

Compliance with International standards of Governance and Code of Conduct

# Alignment of interests



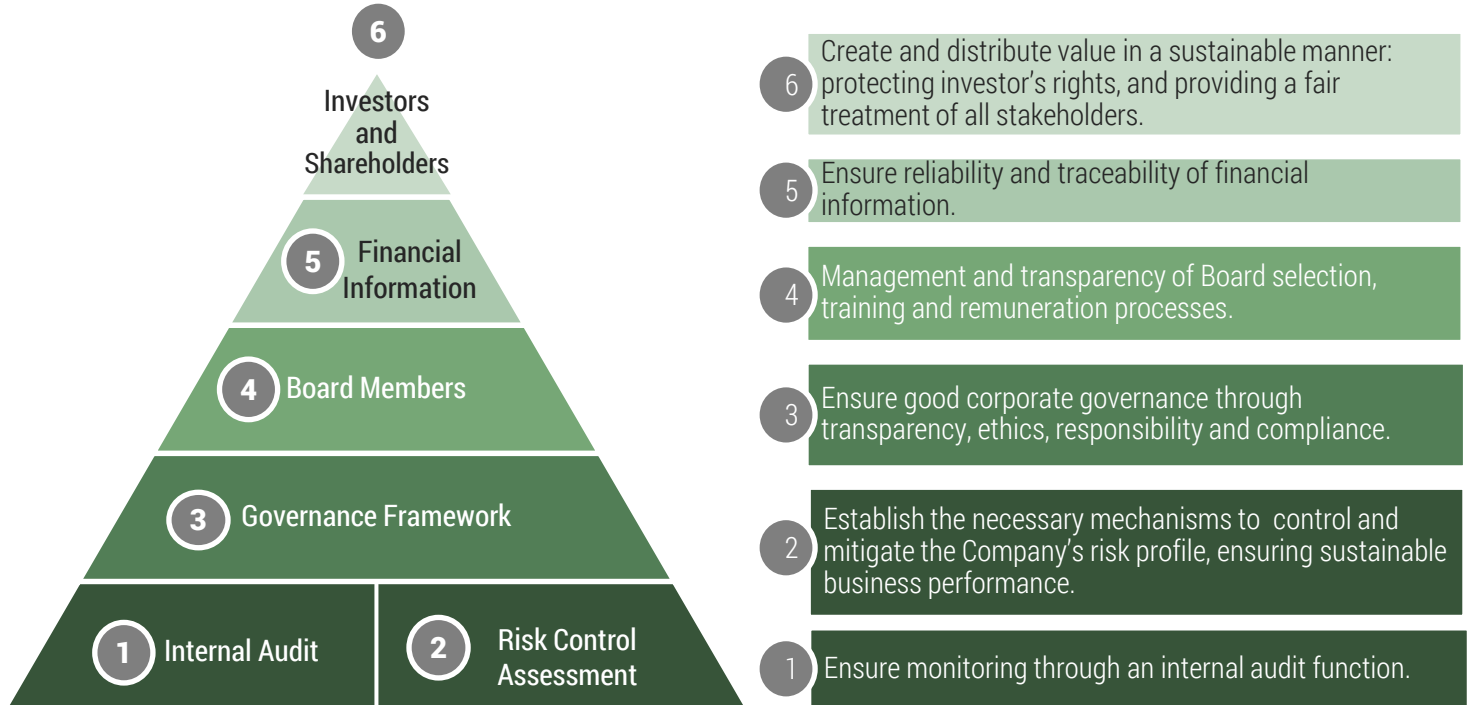
**Grupo Lar** is contracted to provide **Management** services **exclusively** to LRE

**Initial 5-year management** contract (since March 2014)

**Grupo Lar** now owns a **3.5% stake** in Lar España, subject to a **lock-up period**



# Corporate Governance Targets



# Corporate Governance Initiatives



## Risk Control and Management System

- ✓ Policy approved in February 2015
- ✓ Lar España approach to risk management is a continuous and dynamic process
- ✓ The integrated ERM1 system: designed to mitigate risk exposure in corporate activities



## Code of Conduct and Whistle-blowing

- ✓ Approved by the Board of Directors in 2015 to complement the CNMV Securities Markets Code of Conduct
- ✓ Establishes the rules of conduct to be followed by all those who act in the name of Lar España and its subsidiaries



## Internal Audit

- ✓ Lar España has an internal audit department to monitor the proper functioning of information systems and internal control
- ✓ Ensure good corporate oversight and respect of the business model

<sup>1</sup> ERM: Enterprise Risk Management



# Corporate Social Responsibility



## Economic

- i. Promote communication and value creation for long-term shareholders.
- ii. Cooperate with institutions, non-governmental organizations, and private companies, to promote community welfare in the medium and long term.
- iii. Promote training and performance evaluation to strengthen the human capital of Lar España, linked to remuneration policy.



## Environment

- i. Incorporate environmental criteria in the due diligence processes of real estate acquisitions.
- ii. Green building objectives and labelling.
- iii. Ensure continuous improvement by optimizing environmental management and awareness, and minimizing environmental risks.



## Social

- i. Comply with legislation, internal codes, integrating ethical commitments.
- ii. Respect human rights and employees.
- iii. Recruit, select and retain talent within a framework of equal opportunities, non-discrimination and diversity, facilitating integration of minority groups.

**Strong CSR master plan**



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