

**Policy for Communication and Contacts
with
shareholders, investors and
proxy advisors of
Lar España Real Estate SOCIMI, S.A.**



Approved by the Board of Directors in its meeting of 24 February 2017

and amended in its meeting of 27 December 2017

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POLICY FOR COMMUNICATION AND CONTACTS WITH SHAREHOLDERS, INVESTORS AND PROXY ADVISORS

Introduction

- In order to promote transparency and retain the confidence of Spanish and international shareholders and investors, Recommendation 4 of the Good Governance Code of Listed Companies (the "**Good Governance Code**") approved by the Comisión Nacional del Mercado de Valores requires listed companies to draw up and implement "*a policy for communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position*". Hence, in its meeting of 24 February 2017 following a favourable report by its Audit and Control Committee, the Board of Directors of LAR ESPAÑA REAL ESTATE SOCIMI, S.A. ("**Lar España**" or the "**Company**") approved this "**Policy for communication and contacts with shareholders, investors and proxy advisors**" (the "**Policy**" or "**Communication Policy**") to guide the Company's communications with those groups.
- Based on the regular review provided for in the Policy itself, in its meeting of 27 December 2017 the Company's Board of Directors approved the addition of new text to the Communication Policy on different aspects deriving from the applicable legislation on listed companies itself and from *Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement*.

1. Aim of the Policy

- The **aim** of this Policy is to define, analyse and implement the main information tools, channels and mechanisms used by the Company in its engagement with its shareholders, institutional investors, proxy advisors and other stakeholders, this communication and information strategy being a true reflection of its commitment to those stakeholders.
- The scope of this Policy **covers all information, communication and forms of contact as regards the relationship between Lar España and its shareholders, institutional investors, proxy advisors**, supervisory bodies and the market in general.

2. General principles

- The Company communicates with its shareholders, investors, proxy advisors and the markets in general based on the following **basic principles**:
 - a) The information communicated must be **accurate, transparent and equitable**.
 - b) It must **strictly comply** in due time and form with the lawfully established **communication and information obligations**.
 - c) **The lawful rights and interests of all shareholders must be protected**. Shareholders must be offered proper communication channels through which they can exercise their right to information.
 - d) The recognition and exercise of the rights of all shareholders must be **equitable**.
 - e) **There must be continuous dialogue, with information being rapidly accessible**. Lar España's Board of Directors will guarantee at all times that the information communicated to its shareholders, investors, proxy advisors and other stakeholders is continuous, by providing permanent access to the different communication channels.
 - f) **There must be a commitment to promoting the informed engagement of shareholders in the General Shareholders Meeting through the exercise of their rights**
- Furthermore, the Company will specifically take into account the **regulations on access to and treatment of inside information and relations with shareholders and markets** provided for under the legislation and in the Company's internal regulations (Regulations of the Board of Directors, Internal Code of Conduct in the Securities Markets and Code of Conduct), in order to **guarantee equitable treatment between shareholders, investors and markets** and prevent abuse of privilege and market abuse.

3. General information, communication and contact channels

- The main communication channels to be used by the Company are as follows:
 - 3.1. **Comisión Nacional del Mercado de Valores ("CNMV") and other official bodies**
- The **CNMV website** is one of the main general official information channels used by the Company to communicate with its shareholders and investors and the market in general.
- The Company discloses on that website **certain information in compliance with securities market legislation** (including Significant Events, regular financial reports, share of voting rights and the Company's capital held by Board Members, treasury shares and significant holdings) and any other information required under the applicable legislation.

For the purposes of this Policy, **inside information** means any information of a specific nature not made public referring directly or indirectly to one or more issuers or one or more financial instruments or their derivatives which should it be made public could notably affect the prices of those instruments or derivatives, probably enabling a reasonable investor to use that information as one of the elements basically influencing his/her investment decisions.

- The Company must report any Significant Events or any other inside information demanded under the current legislation and the Company's Internal Code of Conduct in the Securities Markets to the CNMV, and where applicable, other competent official bodies.

3.2. Corporate website

- The Lar España corporate website (<http://larespana.com/>) is the one of the **main official communication channels** between the Company and its shareholders, its investors, the markets and the general public.
- The corporate website essentially provides extensive information about Lar España's spheres of activity, geographical presence, mission, vision and values, capital and organisational structure, and social action projects.

Furthermore, the corporate website also has a specific section called "**Information for Shareholders and Investors**" which is constantly updated and includes all the information required under the Companies Act and other securities market legislation. This section specifically includes the following information:

- a) General information:** in this section the Company provides a direct link to the CNMV website, the aim being to provide all the information that organisation has on the Company (Significant Events, reporting of significant holdings, treasury shares, regular financial reports, share of voting rights and the Company's capital held by Board Members, shareholder agreements which could affect the Company, etc.).
- b) Economic/Financial Information:** this section provides access to all the quarterly, six-monthly and annual economic/financial documentation and information disseminated by the Company to the markets, the public information sent to the CNMV and other regulators, the average payment time to suppliers, the presentations and the annual reports.
- c) Corporate Governance:** this section provides access to the Company's internal regulations, the Annual Corporate Governance Reports, and any other documentation and information considered by the Board of Directors in relation to the operation and composition of its governing bodies.

This section of the corporate website also includes all documents required under the current legislation in relation to convening and holding General Shareholders Meetings, both for previous years and for the current year. Those meetings will also be streamed live through the website.

- Also disseminated on the corporate website will be any other information that must be published by law and any information deemed appropriate for publication due to its usefulness or relevance to different stakeholders in Lar España and its group.
- Wherever possible, that information will be published simultaneously in Spanish and English, the Spanish version prevailing in case of dispute.

3.3. Social networks

- Lar España is very aware of the growing influence of the new information technologies and internet communication channels on corporate activity and its communication and information strategy as regards shareholders, investors and general public.
- Hence, the communications strategy of the Company and its group will be based on prioritising, among other aspects, the promotion of its active presence on social networks that are deemed appropriate for the Company's purposes like LinkedIn (<https://www.linkedin.com/company/lar-espaa%C3%B1a-real-estate-socimi/>) or others that may be determined in the future.
- Through those social networks, Lar España will disseminate to its regular users important information on the progress, activities, results and strategies of the Company, promoting transparency and encouraging shareholders, investors and other users to be constantly engaged at all times.

4. Channels of communication with shareholders and investors

4.1. Road-shows with shareholders and investors

- The Company regularly organises **road-shows on the progress of the Company and its group** and other aspects of interest to analysts and investors in important financial centres, and it regularly attends events organised by investment banks, stock market brokers and other operators so that it can meet investors. Every quarter the Company also organises a conference call between its senior management team, analysts and investors to discuss the most significant aspects of the financial results published by the Company.
- In those meetings and events the Company answers **requests for information**, unless that information is confidential in nature and notwithstanding the **Company's strict respect for**

the principle of equitable treatment for all shareholders. The Company will specifically take into account the regulations on treatment of inside information, relations with shareholders and relations with markets provided for under the legislation and the Company's internal regulations (Regulations of the Board of Directors, Internal Code of Conduct in the Securities Markets and Code of Conduct).

4.2. Department of Investor and Shareholder Relations

- Through the *Department of Investor and Shareholder Relations*, the Company provides an **open, permanent and transparent communication channel** for its shareholders and investors to submit queries and requests for information, which it answers as long as the Company's interest prevails and both the legislation and the Company's corporate governance regulations are respected. In no event shall information be provided which could give one shareholder an advantage over others. In all cases inside information and market abuse regulations will be respected in accordance with the above.
- The Department of Investor and Shareholder Relations deals mainly with analysts and investors, the information it provides being fundamentally linked to the management of the Company, its financial results, and market trends. This department will also deal with issues raised by minority shareholders in relation to the performance of the share in the markets and provide information related to the matter of the Company's corporate governance (such as availability of information, guidance on the corporate website, and issues related to General Shareholders Meetings).
- The function performed by this department is defined as a "critical function" and is therefore not outsourced to the Manager ("*Grupo Lar*"). It is integrated into the Company's Financial Directorate.

This area can be contacted using the email address info@larespana.com or the telephone number **+34 91 436 04 37**.

4.3. General Shareholders Meeting

- Lar España's General Shareholders Meeting is the **main channel through which the Company's shareholders can get engaged**.

In holding the Company's General Shareholders Meeting, the Board of Directors aims to **encourage shareholders to engage in an informed and responsible manner, to make it easier for them to exercise their rights**, and to ensure application of the **principle of equitable treatment** of shareholders in the same position.

To that end, Lar España will adopt any measures and guarantees appropriate to make it easier for the General Shareholders Meeting to perform the functions ascribed to it under the legislation and the Company's corporate governance regulations.

- In convening the General Shareholders Meeting, the Company may use the **services of agencies, institutions and financial brokers** to improve distribution of the information to shareholders and investors. Furthermore, in the period between the announcement of the General Shareholders Meeting and the meeting itself, the Company will guide shareholders on the different procedures they can follow to exercise their rights concerning the General Shareholders Meeting (such as the right to information, the right to vote and the right to representation).

Specifically, **in the period between the publication date of the announcement of the General Shareholders Meeting and the date five days before that meeting is due to be held**, shareholders may request in writing any information or clarification they deem necessary or submit in writing any questions they deem relevant on the issues raised by the agenda in the announcement and the information accessible to the public provided by the Company to the CNMV since the last General Shareholders Meeting and the publication of the auditor's report.

- Moreover, **during the General Shareholders Meeting itself, shareholders may verbally request any information or clarification they deem appropriate** on the issues raised by the agenda in the announcement and the information accessible to the public provided by the Company to the CNMV since the last General Shareholders Meeting and the publication of the auditor's report.

5. Channels of communication with proxy advisors.

- **Proxy advisors** are entities providing mainly institutional investors with consultancy services in relation to the exercise of voting rights deriving from the ownership of shares in listed companies.
- Lar España keeps in **constant contact with the major proxy advisors in the market** to report to them the specific features of the Company and its environment, enabling their recommendations to be based on unique knowledge of the Company and its circumstances.
- In turn, the Company will evaluate the recommendations and opinions issued by the proxy advisors in relation to corporate governance regulations, based on the particular features of its regulatory environment and the applicable legislation in general.

In this respect, the *Legal Directorate* and the *Department of Investor and Shareholder Relations* tackle queries from proxy advisors in relation to the proposed resolutions submitted to the General Shareholders Meeting, providing them with the clarifications they deem appropriate.

6. Control, supervision and dissemination of the Policy

- Under the Regulations of the Board of Directors of Lar España, **the Audit and Control Committee will be responsible for regular supervision of the content, application and implementation of this Policy**, on which it will report to the Company's Board of Directors.
- This Policy **will be disclosed on the Company's website**, complete with information on how it has been put into practice and the identities of the main interlocutors charged with its implementation.

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27 December 2017