

**Auditor's report on the "Information Related to the  
System of Internal Control Over Financial Reporting  
(ICFR)" of AEDAS HOMES, S.A. for the year ended  
March 31, 2023**



## AUDITOR´S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report and information originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Board of Directors of AEDAS HOMES, S.A.

In accordance with the request from the Board of Directors of AEDAS HOMES, S.A. (hereinafter the Entity) and our engagement letter dated December 13, 2022, we have performed certain procedures on the "ICFR related information" of AEDAS HOMES, S.A. for the year ended March 31, 2023, which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity´s internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity´s financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2023 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.



Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).
2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.
3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.
4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.
5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.
6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

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Alfonso Balea López

30 de mayo de 2023

**ANNUAL CORPORATE GOVERNANCE REPORT  
FOR LISTED COMPANIES**

**ISSUER'S PARTICULARS**

FINANCIAL YEAR ENDING (DATE)

**31/03/2023**

COMPANY TAX ID NO. (CIF)

**A87586483**

COMPANY NAME

**AEDAS HOMES, S.A.**

REGISTERED OFFICE

**Paseo de la Castellana, 130. 28046 Madrid.**

**ANNUAL CORPORATE GOVERNANCE REPORT  
AEDAS HOMES, S.A.**

**A OWNERSHIP STRUCTURE**

**A.1 Complete the following table on the company's share capital and any associated voting rights, to include those inherent to loyalty-based voting rights, at the closing date of the financial year:**

**Indicate whether the company's by-laws foresee the possibility of a double, loyalty-based vote:**

No

Yes

Approved by the meeting on

**Minimum time of uninterrupted ownership required by the by-laws**

**Indicate whether the company has attributed loyalty-based votes:**

No

Yes

Date of the last change in the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty-based votes)	Number of additional votes attributed representing loyalty-based votes	Total number of voting rights including any additional loyalty-based votes
18/06/2021	46,806,537	46,806,537	46,806,537	-	-

**Number of shares entered into the special register book, pending completion of the loyalty period**

Remarks
All the shares are fully subscribed and paid up and vest the same rights on their holders.

**Indicate whether different classes of shares exist with different associated rights:**

Yes

No

Class	Number of shares	Unit face value	Unit number of voting rights	Rights and obligations vested
-	-	-	-	-

Remarks
-

**A.2 List the direct and indirect holders of significant shareholdings at year-end, including board members holding a material stake:**

Personal or corporate name of shareholder	% of voting rights attributed to shares (including loyalty-based votes)		% of voting rights through financial instruments	Total % of voting rights	Of the total number of voting rights attributed to the shares, indicate any additional votes attributed inherent to shares with loyalty-based rights	
	Direct	Indirect			Direct	Indirect
HIPOTECA 43 LUX S.A.R.L.	71.52%	-	-	71.52%	-	-
RORY JOSEPH O'NEILL	-	71.52%	-	71.52%	-	-
T. ROWE PRICE ASSOCIATES, INC		5.05%	-	5.05%	-	-
HELIKON LONG SHORT EQUITY FUND MASTER ICAV	0.31%	-	2.82%	3.13%	-	-
FEDERICO RIGGIO	-	0.31%	2.82%	3.13%	-	-

Remarks
-

**Breakdown of indirect shareholdings:**

Personal or corporate name of the indirect shareholder	Personal or corporate name of the direct shareholder	% of voting rights attributed to shares (including loyalty-based votes)	% of voting rights through financial instruments	Total % of voting rights	Of the total number of voting rights attributed to the shares, indicate any additional votes attributed inherent to shares with loyalty-based votes
Mr. RORY JOSEPH O'NEILL	HIPOTECA 43 LUX, S.A.R.L.	71.52%	-	71.52%	
T. ROWE PRICE ASSOCIATES, INC	T. ROWE PRICE INTERNATIONAL, LTD	5.05%	-	5.05%	
FEDERICO RIGGIO	HELIKON LONG SHORT EQUITY FUND MASTER ICAV	0.31%	2.82%	3.13%	

**Indicate the most significant movements in the shareholding structure during the financial year:**

Most significant movements
At closing of the 2022/23 tax year, the most relevant movements in the shareholding structure with respect to the previous year refer to a drop below 3% in the stake held by the shareholder T. Rowe Price International Funds, Inc., as well as an increase above 3% in the stake held by the shareholder Helikon Long Short Equity Fund Master ICAV.

**A.3 Irrespective of percentage, indicate the stake at year-end held by members of the Board of Directors who hold voting shares attributed to company shares or through financial instruments, excluding those board members identified in A.2 above:**

Personal or corporate name of board member	% of voting rights attributed to shares (including loyalty-based votes)		% of voting rights through financial instruments		Total % of voting rights	% of voting rights attributed to shares, indicating any % of additional votes attributed representing shares with loyalty-based voting rights	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. SANTIAGO FERNÁNDEZ VALBUENA	0.472%	-	-	-	0.472%	-	-
Mr. DAVID MARTÍNEZ MONTERO	0.221%	-	-	-	0.221%	-	-
Mr. EVAN ANDREW CARRUTHERS	0.058%	-	-	-	0.058%	-	-
Mr. JAVIER LAPASTORA TURPÍN	0.003%	-	-	-	0.003%	-	-
Ms. MILAGROS MÉNDEZ UREÑA	0.002%	-	-	-	0.002%	-	-

<b>Total % of voting rights held by members of the Board of Directors</b>	<b>0.76%</b>
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<b>Remarks</b>
-

**Breakdown of indirect shareholdings:**

Personal or corporate name of board member	Personal or corporate name of the direct shareholder	% of voting rights attributed to shares (including loyalty-based votes)		% of voting rights through financial instruments		% voting rights	Of the total % of voting rights attributed to the shares, indicate the % of any additional votes attributed inherent to shares with loyalty-based votes
		Direct	Indirect	Direct	Indirect		
-	-	-	-	-	-	-	-

<b>Remarks</b>
-

**Describe the total percentage of voting rights represented on the board:**

<b>Total % of voting rights represented on the board of directors</b>	<b>-</b>
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<b>Remarks</b>
-

- A.4** Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, except those reported under section A.6:

Related-party name or corporate name	Type of relationship	Brief description
-	-	-

- A.5** Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Related-party name or corporate name	Type of relationship	Brief description
-	-	-



**A.6 Describe the relationships – unless they are insignificant to both parties – between the significant shareholders, or the shareholders represented on the board, and the board members, or their representatives, in the case of board members that are legal persons.**

Explain, if applicable, how the significant shareholders are represented. Specifically, the board members who have been appointed on behalf of significant shareholders, those whose appointment has been promoted by significant shareholders, or who are linked to significant shareholders and/or entities in their group, with specification of the nature of such relationships, are to be indicated. In particular, mention should be made, where appropriate, of the existence, identity and position of members of the board, or representatives of the directors, of the listed company who are, in turn, board members, or their representatives, in companies that hold significant shareholdings in the listed company or in entities of the group of such significant shareholders.

Personal or corporate name of the related board member or representative	Personal or corporate name of the related significant shareholder	Corporate name of the company of the significant shareholder's group	Description of relationship/role
Mr. EVAN ANDREW CARRUTHERS	HIPOTECA 43 LUX, S.A.R.L.	AEDAS HOMES, S.A.	Board Member
Mr. EDUARDO EDMUNDO D'ALESSANDRO CISHEK	HIPOTECA 43 LUX, S.A.R.L.	AEDAS HOMES, S.A.	Board Member
Mr. JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	HIPOTECA 43 LUX, S.A.R.L.	AEDAS HOMES, S.A.	Director "External, Other"

Remarks
The following Directors represent Hipoteca 43 Lux, S.à r.l. on the Board of Directors: Mr. Evan A. Carruthers and Mr. Eduardo E. D'Alessandro Cishek. There is no other significant shareholder represented on the Company's Board of Directors.  In turn, Mr. Javier Martínez-Piqueras Barceló acts as Senior European Advisor for Castlake (manager of the funds that own Hipoteca 43 Lux, S.à r.l.) since November 2021.

**A.7 Indicate whether the company has been notified of any shareholders' agreements pursuant to Articles 530 and 531 of the Spanish Capital Companies Act (LSC). If so, provide a brief description and list the shareholders bound by any such agreement:**

Yes  No

Shareholders bound by the agreement	% of share capital affected	Brief description of the agreement	End date of the agreement, if one exists
-	-	-	-

Remarks
-

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. If so, give a brief description:

Yes  No

Shareholders involved in concerted action	% of share capital affected	Brief description of concerted action	End date of the concerted action, if one exists
-	-	-	-

Remarks
-

Expressly indicate any amendments to or termination of such agreements or concerted actions during the financial year, where applicable:

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**A.8 Indicate whether there is any individual or legal entity that exercises or may exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act. If so, give details:**

Yes

No

Name or corporate name
<ul style="list-style-type: none"> <li>• HIPOTECA 43 LUX, S.A.R.L.</li> <li>• Mr. RORY JOSEPH O'NEILL</li> </ul>

Remarks
Hipoteca 43 Lux S.A.R.L. is AEDAS Homes's majority shareholder with 71.52% of its voting rights. Indirectly, Mr. Rory Joseph O'Neill could exert control over the Company.

**A.9 Complete the following tables on the company's treasury stock:**

**At year-end:**

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
3,305,632	-	7.06%

Remarks
AEDAS Homes closed at 31 March 2023 with a treasury stock level of 7.06% over the capital, as it has 3,305,632 treasury shares.

**(\*) Held through:**

Personal or corporate name of the direct shareholder	Number of shares held directly
-	-
<b>Total:</b>	-

**Give details of any significant changes during the financial year:**

Details of significant changes
<p>On 25 July 2019, the Company's Board of Directors decided to launch treasury stock transactions, initially through a Discretionary Management Programme. At the Board Meeting of 25 September 2019, it passed a Company Stock Buy-Back Plan for a maximum of 50,000,000 euros, until reaching a treasury stock of 2,500,000 shares. Such Buy-Back Plan will remain in force for a maximum of 36 months and its main manager will be JB Capital Markets, S.V., S.A.U.</p> <p>On 25 February 2020, the Company's Board of Directors agreed to increase the limit on the Stock Buy-Back Plan from 50 to 150 million euros. All other terms, approved by the Board on 25 September 2019, remained as is.</p> <p>On 12 July 2022, the Company decided to renew the Stock Buy-Back Plan with a new limit of 50 million euros, applicable to share purchases carried out as of the effective date of this renewal. The effects of this new buy-back plan began on 27 September 2022, upon expiry of the former buy-back plan.</p> <p>During the overall 2022/23 fiscal year, the Company acquired own shares for a total of 10 million euros, representing 672,230 shares, at an average price per share of 14.64 euros.</p> <p>Furthermore, during the month of June 2022, the Company delivered 86,933 own shares to its employees further to its commitment under cycle two of the I Long-Term Incentives Plan and the New Incentive. Such shares were acquired for a total of 1,785,988 euros.</p> <p>At 31 March 2023, the balance of own shares (discretionary management, buy-back plan and block transactions) totalled 3,305,632 securities, representing 7.06% of the share capital, at an average price per share of 19.34 euros.</p>

**A.10 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back or transfer treasury stock.**

The General Shareholders' Meeting held last 23 June 2020, in its eleventh item of the Agenda, decided to authorise the Board of Directors of Aedas Homes, S.A., pursuant to the provisions established in Articles 144 ff. and in Article 509 of the Spanish Capital Companies Act, in the broadest terms possible, indirectly or indirectly, to the extent deemed appropriate in the circumstances, to carry out a buy-back of Company stock at any time and as often as necessary, within the legal limits existing at the time, all pursuant to the terms and conditions indicated below:

(i) Types of acquisition: acquisitions may involve a sale and purchase, swap or any other transaction for consideration, as the circumstances advise.

(ii) Maximum number of shares acquired: any treasury stock directly or indirectly acquired, in addition to the shares already held by the Company and its subsidiaries, may not exceed 10% of the share capital or other ceiling established by law.

(iii) Minimum and maximum countervalue in purchases for consideration: the minimum price or consideration for the purchase will be equivalent to the face value of treasury stock acquired, and the maximum price or consideration for the purchase will be equivalent to the greater amount resulting between the face value of treasury stock acquired and its listed price at closing of the last trading session prior to the acquisition, increased by 15%.

(iv) Length of the authorisation: the authorisation is granted for a five-year term, as of the date of this General Meeting.

Consequently, it was expressly stated for the record that any shares purchased further to such authorisation, as well as the Company's own shares currently part of the treasury stock, may be used for disposal or redemption, to achieve potential corporate or business operations, or to directly grant stock options to the Company's workers or directors or, as a consequence of exercising the option rights held by the latter, as foreseen in paragraph three, section 1.a), Article 146 of the Spanish Capital Companies Act [Ley de Sociedades de Capital (LSC)], or to cover stock option plans or other plan associated to the share capital.

In addition, such authorisation may be used to acquire own shares for other purposes or through any other procedure, as the Board of Directors may decide at all times; to that effect, it may also decide on the manner and procedure through which stock options are exercised.

Approval of such resolution, as soon as it was approved by the General Shareholders' Meeting, meant that the former resolution authorising the Board of Directors to buy back treasury stock, approved by the Ordinary General Shareholders' Meeting of the Company held on 30 March 2020, as item seven of the agenda, was accordingly replaced.

Consequently, any corporate resolution remaining in force at the approval date of this resolution and approved pursuant to authorisations prior to the Board of Directors' meeting, for a buy-back of own shares, will be deemed as made pursuant to this resolution from the moment it was approved by the General Shareholders' Meeting.

**A.11 Estimated free float:**

	%
Estimated free float	12.48%

Remarks
-

**A.12 Indicate whether there are any restrictions (by-law, legislative or of any kind) on the transferability of securities and/or any restrictions on voting rights. In particular, the existence of any type of restrictions that may hinder the take-over of the company through the acquisition of its shares on the market, as well as any systems of prior authorisation or communication which, regarding the acquisitions or transfers of the company's financial instruments, are applicable to it by sectorial regulations, are to be indicated.**

Yes  No

Description of restrictions
-

**A.13 Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public take-over bid pursuant to Act 6/2007.**

Yes

No

Where applicable, explain the measures adopted and the terms under which the restrictions may be lifted.

Explain the measures adopted and the terms under which the restrictions may be lifted
-

**A.14** Indicate whether the company has issued securities that are not traded in a regulated European Union market.

Yes

No

If so, indicate the various classes of shares and, for each class, the rights and obligations they confer.

Indicate the various classes of shares
-

**B** GENERAL SHAREHOLDERS' MEETING

**B.1** Indicate and outline any differences, where appropriate, between the required quorum for convening a General Shareholders' Meeting and the quorum required by the Spanish Capital Companies Act (LSC).

Yes

No

	% of quorum other than that established in Article 193 of the LSC for general cases	% of quorum other than that established in Article 194 of the LSC for special cases as described in Article 194 of the LSC
Quorum required for 1 <sup>st</sup> call	-	-
Quorum required for 2 <sup>nd</sup> call	-	-

Description of differences
-

**B.2** Indicate and describe, where appropriate, any differences between the company's system of adopting corporate resolutions and the framework established in the Spanish Capital Companies Act (LSC):

Yes

No

Describe how they differ from the rules established in the LSC.

	Qualified majority other than that established in Article 201.2 of the LSC for cases described in Art. 194.1 of the LSC	Other cases requiring a qualified majority
% set by company for adopting corporate resolutions	-	-

Describe the differences
-

**B.3** Indicate the rules governing amendments to the company's By-laws. In particular, indicate the majorities required to amend the By-laws and, where applicable, the rules for protecting shareholders' rights when amending the By-laws.

The General Shareholders' Meeting is responsible for making amendments to the By-laws under Article 285 *et seq.* of the Spanish Capital Companies Act (LSC).

The Regulations governing the General Shareholders' Meeting set out the rules that apply to any amendment of the Company's By-laws in Article 19, "Constitution of the General Shareholders' Meeting. Special cases".

"The General Shareholders' Meeting shall remain validly constituted at first call when shareholders representing at least twenty-five per cent of the share capital with voting rights are present or represented. At second call, a General Meeting shall be validly constituted regardless of the share capital in attendance.

Notwithstanding the contents of the preceding paragraph, in order for an ordinary or extraordinary General Meeting to validly agree on a capital increase or reduction or any other amendment of the By-laws, the issue of bonds and securities for which competence has not been legally assigned to another Company body, the cancellation or restriction of the right of pre-emption over new shares, or the Company's transformation, merger or demerger or the global assignment of its assets and liabilities or the transfer of its registered office abroad, shareholders holding at least fifty per cent of the subscribed share capital with voting rights must be either present or represented at the Meeting at first call. At second call, the presence of twenty-five per cent of the share capital shall be sufficient, but when shareholders representing less than fifty per cent of the subscribed share capital with voting rights are present, the company resolutions referred to in this paragraph may only be validly adopted if they receive a favourable vote from two thirds of the share capital that is either present or represented at the General Shareholders' Meeting.

Any absences arising once a General Shareholders' Meeting has convened will not affect the validity of such meeting.

If, in order to validly adopt a resolution on one or several items of the agenda submitted to the General Shareholders' Meeting, it were necessary, pursuant to applicable regulations or the Company By-laws, for a certain percentage of the share capital to be present, and such percentage is not reached at first call, the General Shareholders' Meeting will be held at second call and if the necessary quorum is not reached there either for the adoption of such resolutions, the General Shareholders' Meeting, at this second call, will just discuss those items of the agenda that do not require such percentage share capital to attend in order to validly adopt resolutions.

The provisions set out in this Article shall be understood to apply without prejudice to any qualified majorities that may be established in applicable legislation or these By-laws in respect of the constitution of meetings and votes."

Article 29 of these Regulations establishes, *inter alia*, that proposals for resolutions on items included in the agenda shall be submitted to a vote, and any issues that are substantially independent of one another shall be voted on separately so that shareholders can exercise their voting preferences separately (to include an amendment of the By-laws). Specifically, Article 29.3 provides as follows:

"The General Shareholders' Meeting shall vote separately on any issues that are substantially independent of one another so that shareholders may exercise their voting preferences separately. In any case, even though they may be included in the same item on the agenda, the following must be voted on separately:

- (i) the appointment, re-election or ratification (in the case of co-optation) of directors, who must be voted on individually;
- (ii) votes relating to consultation on the annual report on directors' pay; and
- (iii) in the event of an amendment of the By-laws, each article or group of articles that is substantially independent.

However, where the circumstances make it advisable, the Chairman may rule that proposals relating to several items on the agenda should be voted on jointly, in which case the result of the vote will be understood to be individually reproduced for each proposal, so long as none of the attendees expresses a wish to modify the way in which he or she has voted in respect to one of these proposals. Otherwise, the minutes will reflect the way in which each attendee has modified his or her vote, along with the results of the vote in relation to each proposal as a consequence of such modifications."

The majorities required in order to amend the By-laws are set out in Article 32 of the Regulations governing the General Shareholders' Meeting, along with the majorities required to adopt the resolutions referred to in Article 19.2 of the aforementioned Regulations, indicating that: "Nevertheless, in order to adopt the resolutions referred to in Article 19.2 of these Regulations, if the share capital present or represented exceeds fifty per cent, it will be sufficient for the resolution to be adopted by an absolute majority. However, a favourable vote from two thirds of the share capital present or represented at the Meeting shall be required at second call when shareholders representing at least twenty-five per cent but less than fifty per cent of the subscribed share capital with voting rights are present.

The foregoing will not apply to any cases where applicable regulations or these By-laws foresee a higher majority".

**B.4 Indicate the attendance figures for the General Shareholders' Meetings held during the financial year to which this report relates and during preceding years:**



Date of General Meeting	Attendance data				
	% attending in person	% attending by proxy	% remote votes		Total
			Electronic vote	Others	
29/06/2022	0.021%	85.71%	0.18%	0.40%	86.31%
Free float:	0.005%	8.51%	0.004%	0.40%	8.92%

Remarks
The Ordinary General Shareholders' Meeting of AEDAS Homes, held on 29 June 2022, was streamed through the website (www.aedashomes.com), allowing all shareholders to follow the Meeting at a distance, pursuant to what is foreseen in Article 12.3 of the company by-laws.

**B.5 Indicate whether at the General Shareholders' Meetings held during the financial year there were any items on the agenda that, for whatever reason, were not approved by the shareholders.**

Yes  No

Items on the agenda that were not approved	% of votes against (*)
-	-

(\*) If the non-approval of the item is for a reason other than a vote against, it should be explained in the text and "n/a" should be indicated under the column headed "% of votes against".

**B.6 Indicate whether there are any By-law restrictions requiring a minimum number of shares to attend the General Shareholders' Meeting, or to be able to vote remotely:**

Yes  No

Number of shares required to attend General Meetings	1
Number of shares required to be able to vote remotely	1

Remarks
All shareholders are entitled to attend General Shareholders' Meetings irrespective of the number of shares held, provided that these are registered in their name in each book entries register at least five calendar days before the date scheduled for the General Shareholders' Meeting. All the shareholders, irrespective of the number of shares held, are entitled to exercise their voting rights through distance means of communication, provided that these are registered in their name in each book entries register at least five calendar days before the vote. In addition, a requirement for attendance at a General Shareholders' Meeting will be for the shareholder to hold an attendance card, as well as a certificate issued by the book entries register manager, as applicable in each case, or a document legally confirming its shareholder status.

**B.7 Indicate whether it has been established that certain decisions, other than those established by law, which involve the acquisition, disposal, contribution to another company of essential assets or other similar corporate operations, must be submitted for the approval of the General Shareholders' Meeting.**

Yes  No

Explanation of decisions to be submitted to the board, other than those established by law
-

**B.8 Indicate the address of your Company's website and how to access the content on corporate governance, along with any other information on General Meetings which must be made available to shareholders on the Company website.**

Information relating to corporate governance and General Meetings is made available on the AEDAS Homes corporate website under the section “Shareholders and Investors” and, in this section, under “Corporate Governance”, which can be accessed at [www.aedashomes.com](http://www.aedashomes.com).

This “Corporate Governance” section sets out the most relevant information on corporate governance at the Company. The Board of Directors has decided to call an Ordinary General Shareholders’ Meeting, and has approved the text of the call to be subsequently published in one of the most widely distributed newspapers in Spain, pursuant to Article 516 LSC, and on the CNMV website. This information is available on the corporate website ([www.aedashomes.com](http://www.aedashomes.com)), under “Corporate Governance”, subheading “General Shareholders’ Meetings”.

## C COMPANY MANAGEMENT STRUCTURE

### C.1 Board of Directors

#### C.1.1 Maximum and minimum number of board members stipulated in the By-laws and the number set by the General Shareholders’ Meeting:

<b>Maximum number of Board Members</b>	15
<b>Minimum number of Board Members</b>	5
<b>Number of Board Members set by the General Shareholders’ Meeting</b>	9
<b>Remarks</b>	
-	

#### C.1.2 Complete the following table with the board members:

Personal or corporate name of board member	Representative	Category of board member	Position on the Board	Date of first appointment	Date of last appointment	Election procedure	Date of birth
Ms. CRISTINA ÁLVAREZ ÁLVAREZ	-	Independent	Board Member	04/10/2017	23/06/2020	General Meeting	18/04/1969
Mr. EVAN ANDREW CARRUTHERS	HIPOTECA 43 LUX S.A.R.L.	Proprietary	Board Member	27/09/2017	23/06/2020	General Meeting	12/03/1979
Mr. EDUARDO EDMUNDO D’ALESSANDRO CISHEK	HIPOTECA 43 LUX S.A.R.L.	Proprietary	Board Member	27/09/2017	23/06/2020	General Meeting	17/12/1980
Mr. SANTIAGO FERNÁNDEZ VALBUENA	-	Independent	Chairman of the Board	27/09/2017	23/06/2020	General Meeting	22/04/1958
Mr. FRANCISCO-JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	-	Other external	Board Member	21/10/2020	18/06/2021	General Meeting	15/03/1973
Mr. JAVIER LAPASTORA TURPÍN	-	Independent	Board Member	27/09/2017	23/06/2020	General Meeting	05/09/1966
Mr. DAVID MARTÍNEZ MONTERO	-	Executive	CEO and Vice Chairman	27/09/2017	23/06/2020	General Meeting	07/11/1970
Ms. MILAGROS MENDEZ UREÑA	-	Independent	Board Member	09/05/2019	29/06/2022	General Meeting	14/09/1960
Mr. MIGUEL BELTRÁN TEMBOURY REDONDO	-	Independent	Board Member	27/09/2017	23/06/2020	General Meeting	01/04/1969

<b>Total number of Board Members</b>	9
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Indicate any termination, due to a resignation, dismissal or resolution of the General Meeting, which has occurred on the Board of Directors during the reporting period:

Personal or corporate name of board member	Category of board member at the time of termination	Date of last appointment	Termination date	Specialised Committees of which he/she was a member	Indicate whether termination took place before the end of his/her term
-	-	-	-	-	-

Reason for termination, if occurring before the end of director term, and other remarks; Information on whether the director sent a letter to the other board members and, for dismissals of non-executive directors, explanation or opinion of the director dismissed by the General Meeting

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**C.1.3 Complete the following tables on the Board Members and their respective categories:**

**EXECUTIVE DIRECTORS**

Personal or corporate name of director	Position in company's organisational structure
Mr. DAVID MARTÍNEZ MONTERO	• Chief Executive Officer (CEO)

Profile
<p><b>Appointment to the Board and roles</b></p> <p>David Martínez Montero has been Chief Executive Officer of AEDAS Homes since 2016 and was re-elected by the General Shareholders' Meeting in June 2020. He has served on the Technology, Innovation and Cybersecurity Committee since 2017.</p> <p><b>Career and relevant experience</b></p> <p>David Martínez Montero (1970) has been CEO of AEDAS Homes since the Company's founding in 2016. He has over 25 years of experience leading top real estate developments in Spain, including three landmark urban development projects in Madrid: Distrito Castellana Norte (2013-2016), Valdebebas (2005-2013) and Cuatro Torres Business Area (2001-2005). Prior to these leadership roles, he served as a Project Manager at Bovis and Construction Manager at Ferrovial.</p> <p>Since 2019, David has been Chairman of REBUILD, Spain's leading event to drive innovation, sustainability and digitalization in the construction sector. He is a member of the Urban Land Institute Spain National Council, where he is actively involved in ULI's mentoring programme. He also teaches real estate development courses in numerous universities in Spain, including IE School of Architecture and Design, UPM and UNIR.</p> <p>David holds an MSc in Civil and Structural Engineering from Universidad Politécnica de Madrid and an Executive MBA from IESE Business School.</p> <p>David holds a total of 103,254 shares in AEDAS Homes. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company Directors.</p>

<b>Total number of Executive Directors</b>	1
<b>% of Board</b>	11.11%

**EXTERNAL PROPRIETARY DIRECTORS**

Personal or corporate name of director	Personal or corporate name of the significant shareholder that he/she represents or that proposed his/her appointment
Mr. EVAN ANDREW CARRUTHERS	HIPOTECA 43 LUX, S.A.R.L.
Mr. EDUARDO EDMUNDO D'ALESSANDRO CISHEK	HIPOTECA 43 LUX, S.A.R.L.

Profile
<p><u>Mr. EVAN ANDREW CARRUTHERS</u></p> <p><b>Appointment to the Board and roles</b></p> <p>Evan Carruthers joined the AEDAS Homes Board in September 2017 as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, and was re-elected by the General Shareholders' Meeting in June 2020. He has served on the Appointments &amp; Remuneration Committee since 2017.</p> <p><b>Career and relevant experience</b></p> <p>Mr. Carruthers co-founded Castl lake in 2005, in partnership with Rory O'Neill. As managing partner, co-chief executive officer and chief investment officer, Mr. Carruthers is responsible for the firm's overall strategy, including all investment and operational activities, as well as guiding the firm's mission, culture and investment approach.</p>

Additionally, Mr. Carruthers is responsible for overseeing all investment teams at Castlelake. Mr. Carruthers also serves as chair of Castlelake's Executive Committee and Investment Review Committee.

Evan has deep sector expertise, spanning back to the year 2000. Under his guidance, Castlelake has invested capital in 68 countries across multiple industries and he has been instrumental in the development of the firm's asset and credit-based investment activities, including the development of its differentiated aviation platform. Before co-founding Castlelake, he was an investment manager with CVI, responsible for corporate and asset-based investments in North America and the development of Cargill's global aircraft investing business, and before joining CVI, he worked in several capacities at Piper Jaffray.

Since May 2017, he has been an Independent Director at publicly listed Five Point Holdings, LLC, the largest owner and developer of mixed-use, master-planned communities in coastal California, thus sharing this experience in the residential development sector in the United States with AEDAS Homes.

He received his B.A. from the University of St. Thomas (Minneapolis) in business administration, with a specialty in finance.

Evan holds 27,000 shares of AEDAS Homes stock, and he has no purchase options over shares in the Company. He works with Eduardo D'Alessandro, Proprietary Director of AEDAS Homes and Partner at Castlelake.

**Mr. EDUARDO EDMUNDO D'ALESSANDRO CISHEK**

**Appointment to the Board and roles**

Eduardo D'Alessandro Cishek joined the AEDAS Homes Board as a Proprietary Director, representing Hipoteca 43 Lux S.A.R.L, in September 2017 and was re-elected by the General Shareholders' Meeting in June 2020. He is also a member of the Audit & Control Committee and the Technology, Innovation & Cybersecurity Committee, serving on both Committees since 2017.

**Career and relevant experience**

Eduardo D'Alessandro Cishek (1980) has been a Partner at Castlelake since 2018 and a leader of its Global Real Assets team. His primary focus is on originating investment opportunities in transitional real estate, infrastructure, renewables and power stability, and sub- and non-performing loans. He is also a member of the firm's Investment Review Committee and Executive Committee. Previously, he led the firm's Spanish land banking investment strategy and was also responsible for executing its investment strategy in Portugal, Italy and Greece, the UK and Ireland. His expertise includes direct asset and non-performing loan opportunities as well as equity public offerings.

Before joining Castlelake in 2011, Eduardo was an investment consultant at Deutsche Bank in their special situations group, focusing on non-performing loan investments across Europe and an investment associate at CarVal Investors (CVI) within the Loan Portfolio Group, where he worked on non-performing loan and real estate investments in the United Kingdom, Germany and Spain. He graduated *cum laude* with a B.Sc. in finance from Manhattanville College (New York) and an MBA from London School of Economics.

Eduardo owns no shares of AEDAS Homes stock, nor does he have any purchase options over shares in the Company. He works with Evan Carruthers, Proprietary Director of AEDAS Homes and Managing Partner and Chief Investment Officer at Castlelake.

<b>Total number of Proprietary Directors</b>	2
<b>% of Board</b>	22.22%

**EXTERNAL INDEPENDENT DIRECTORS**

<b>Personal or corporate name of the director</b>	<b>Profile</b>
Mr. SANTIAGO FERNÁNDEZ VALBUENA	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Board of Directors</li> <li>Chairman of the Audit &amp; Control Committee between November 2021 and November 2022</li> </ul>
Mr. JAVIER LAPASTORA TURPÍN	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Audit &amp; Control Committee since November 2022</li> </ul>
Mr. MIGUEL BELTRÁN TEMBOURY REDONDO	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Appointments &amp; Remuneration Committee</li> </ul>
Ms. CRISTINA ÁLVAREZ ÁLVAREZ	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairwoman of the Technology, Innovation &amp; Cybersecurity Committee</li> </ul>

<b>Personal or corporate name of the director</b>	<ul style="list-style-type: none"> <li>• <b>Profile</b></li> </ul>
Ms. MILAGROS MÉNDEZ UREÑA	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of the Appointments &amp; Remuneration Committee since July 2022</li> </ul>

<p><b>Profile</b></p> <p><u>Mr. SANTIAGO FERNÁNDEZ VALBUENA</u></p> <p><b>Appointment to the Board and roles</b></p> <p>Santiago Fernández Valbuena joined the AEDAS Homes Board of Directors in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He has been Chairman of the Board since September 2017 and serves on the Audit and Control Committee, also since 2017.</p> <p><b>Career and relevant experience</b></p> <p>Santiago Fernandez Valbuena (1958) is Vice-president at EBN Bank and has been a Proprietary Director there since 2015. He has also been on the Board of Mapfre Brazil since 2019. From 2011-2014 he was President of Telefónica-Latin America. At Grupo Telefónica, he was General Director of Finance and Strategy (2010-2011) and General Director of Finance and Corporate Development (2002-2010). Prior to his tenure at Telefónica, he was CEO of Fonditel, General Director at Société Générale Valores and Head of Sales at Beta Capital.</p> <p>Santiago brings unrivalled experience in the real estate and construction sectors. From 2008-2021 he was an Independent Director and member of the Auditing Committee at Ferrovial, S.A., a Spanish multinational company involved in the design, construction, financing, operation and maintenance of transport infrastructure and urban services. From 1999-2007, he was Vice-President at Metrovacesa, S.A., a major Spanish real estate company.</p> <p>Santiago is a Professor at the Universidad Complutense (currently on leave) and was also Professor at the Universidad de Murcia. He has also taught at IE Business School. He holds a B.A. in Economics from the Universidad Complutense de Madrid, and an M.S. and Ph.D. in Economics from Northeastern University in Boston.</p> <p>Santiago owns a total of 220,727 shares of AEDAS Homes stock. He has no purchase options over shares in the Company, nor does he have any prior relationship with any other Board Members or Company Directors.</p> <p><u>Mr. JAVIER LAPASTORA TURPÍN</u></p> <p><b>Appointment to the Board and roles</b></p> <p>Javier Lapastora Turpín joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. Since 2017, he has been a member of the Audit &amp; Control Committee and is the current Chairman of this Committee.</p> <p><b>Career and relevant experience</b></p> <p>Javier Lapastora Turpín (1966) was Partner at PwC from 2002 to 2015; he led PwC Spain's Construction and Real Estate area from 2007 to 2011 and was Managing Partner of the Audit and Assurance practice from 2011 to 2015.</p> <p>He is currently an entrepreneur with interests in a range of companies focused on investment, project management, real estate and franchising, as well as being a member of the Economic Council.</p> <p>Since 2021, Javier has been an Independent Director at Banco Alcalá (Crédit Andorrà Financial Group); since 2017, at Mostostal Warszawa, SA, a leading listed company in the construction sector in Poland, whose products include residential buildings and housing developments; and since 2016, at Servicios Financieros Carrefour EFC, SA.</p> <p>He has been a Proprietary Director at Connemara Properties, SL, since 2018; at Westhill Investments, SL, since 2017; and at Glendalough Investments, SL, Clonmacnoise Developments, SL, Bazkariak Kalitate, SL, Kilmore Management Services, SL, and Tullamore Properties, SL, since 2015.</p> <p>Javier earned a bachelor's degree in Economics and Business Administration from CUNEF (Universidad Complutense) and holds a PDD (Programa de Desarrollo Directivo, or advanced management programme) from IE Business School. He is a registered auditor in Spain (ROAC) and a member of the Institute of Chartered Accountants of Spain (ICJCE).</p> <p>Javier owns 1,579 shares of AEDAS Homes stock. He has no purchase options over shares in the Company nor does he have any prior relation with any of the other Board members or Company Directors.</p> <p><u>Mr. MIGUEL BELTRÁN TEMBOURY REDONDO</u></p> <p><b>Appointment to the Board and roles</b></p> <p>Miguel Temboury Redondo joined the AEDAS Homes Board in September 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. He has chaired the Appointments and Remuneration Committee since 2017.</p> <p><b>Career and relevant experience</b></p>
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Miguel Temboury Redondo (1969) has extensive experience in the public and private sectors and in-depth knowledge of the Spanish and EU legal systems. He currently works as an attorney in private practice at his own firm, Temboury Abogados, and has been a Senior Advisor to Barclays Investment Bank since 2017.

Miguel was Deputy Secretary of Economy and Competitiveness for the Spanish government (2011-2016), a member of both the Governing Committee of FROB and the Board of Directors of SEPI (2012-2016), President of the Court of Arbitration of the Official Chamber of Commerce and Industry of Madrid (2007-2012), in private practice at his eponymous firm (2007-2011) and at Pérez-Llorca (2004-2007), Chief of Staff to the Minister of the Interior (2002-2004). He is a State's Attorney (1996-2002), currently on leave.

Miguel has served as an Independent Director of Singular Bank since 2019 and chairs its Appointments & Remuneration Committee.

He holds a dual bachelor's degree in Business Administration/Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Miguel owns no shares of AEDAS Homes stock, nor does he have any purchase option over shares in the Company. He has no prior relationship with any other Board Members or Company Directors.

#### Mrs. CRISTINA ÁLVAREZ ÁLVAREZ

##### **Appointment to the Board and roles**

Cristina Álvarez joined the AEDAS Homes Board in October 2017 as an Independent Director and was re-elected by the General Shareholders' Meeting in June 2020. She has chaired the Technology, Innovation & Cybersecurity Committee since 2017.

##### **Career and relevant experience**

Cristina Álvarez (1969) is currently the Head of Technology and Operations in Spain and Europe at Banco Santander and previously was Global Chief Technology Officer (2019-2022). She is a senior executive with 25+ years of professional experience in the telecommunications sector, in companies such as Telefónica (2006-2017) where she was Chief Information Officer (CIO) and Managing Director of Services Development, as well as serving on the Executive Committee of Telefónica España (2009-2017); Vodafone (1996-2006) where she worked as Chief Information Officer (CIO) and Director of Product Engineering; and Alcatel (Nokia) (1992-1995).

Since May 2022, Cristina has served as a Proprietary Director on the Board of Banco Santander Portugal, and since January 2020, she has served as a Proprietary Director on the Board of Openbank. She was previously an Independent Director at Sacyr (2018-2019), a global infrastructure, services and industrial projects company.

Cristina graduated in Telecommunications Engineering from the Universidad Politécnica de Madrid (UPM) and holds a PDD from IESE. She has been awarded numerous prizes, including "Engineer of the year" by the COIT/AEIT (2016), the AUTELSI Award in recognition for her professional career in ITC (2017), and "Digital Leader" by Cionet (2016). She was the Academic Director for the Executive Master's in Digital Transformation and Innovation Leadership at IE Business School (2017-2022) and is currently a senior advisor to IE Business School.

Cristina owns no shares of AEDAS Homes stock, nor does she have any purchase option over shares in the Company. She has no prior relationship with any other Board Members or Company Directors.

#### Ms. MILAGROS MÉNDEZ UREÑA

##### **Appointment to the Board and roles**

Milagros Méndez Ureña joined the AEDAS Homes Board in April 2019 as an Independent Director and was ratified by the General Shareholders' Meeting in May 2019. She was re-elected by the General Shareholders' Meeting in June 2022. Since July 2022, she has served on the Appointments & Remuneration Committee.

##### **Career and relevant experience**

Milagros Méndez Ureña (1960) is Director of Investments at Mercer Consulting, bringing extensive expertise from her consolidated and successful career in the financial markets and experience in launching and developing new projects.

Before joining Mercer in 2019, Milagros was Senior Advisor to Innova Health Private Equity for Spain, Portugal and the United Kingdom (2017-2019) and Senior Advisor to Alma Capital Asset Management (2017-2018). In 2015, she started up Aldebaran Advisory as Founder and Managing Partner, working with Banco Sabadell on a project by project basis, after having joined Sabadell as Head of Business Development, New Markets and Agents in 2015. She was Director of Institutional Fixed Income Distribution, Equity and Derivatives at Interdin Sociedad de Valores y Bolsa (2005-2013), after having joined Afina Capital Management in 2000, creating a securities company as founder and managing director.

Her previous experience includes being Head of Treasury and Capital Markets at Banco Urquijo (1996-1999), being a founding member and Head of Fixed Income at FG Inversiones Bursátiles, Sociedad de Valores y Bolsa (1988-1996) and working in Capital Markets and Fixed Income Distribution at Continental Bank (1986-1988). She got her start as a pesetas broker at Intermoney (1982-1986) and at the same time published the book "A year in the currency market".

Milagros holds a bachelor's degree in Law and an associate's degree Business Administration/Economics from Comillas Pontifical University (ICADE E-1) and a master's degree in derivatives from San Diego State University.

Milagros owns 920 shares of AEDAS Homes stock. She has no purchase options over shares in the Company, nor does she have any prior relationship with any other Board Members or Company Directors.

<b>Total number of independent directors</b>	5
<b>% over the total of the Board</b>	55.56%

Remarks
-

**Indicate whether any board member classified as independent receives any amount or benefit from the Company, or from the group, other than as board member remuneration, or whether he/she maintains or has maintained a business relationship with the Company or with any company within its group during the last financial year, in his/her own name or as a significant shareholder, board member or senior executive of a company that maintains or has maintained such a relationship.**

No independent director of the Company or Group receives any amount or benefit, for any item other than board member remuneration, nor do they maintain or have maintained a business relationship with the Company or with any company within its Group during the last financial year, either in their own name or as a significant shareholder, board member or senior executive of a company that maintains or has maintained such a relationship.

**Where applicable, include a statement from the Board detailing the reasons why it believes the said director may perform his/her duties as an independent director.**

Personal or corporate name of the board member	Description of the relationship	Reasoned statement
-	-	-

#### OTHER EXTERNAL DIRECTORS

**Identify the other external board members and explain the reasons why they were not considered proprietary or independent, as well as their bonds, whether with the company, its executives or shareholders:**

Personal or corporate name of the board member	Reasons	Company, executive or shareholder with whom the bond is held	Profile
Mr. FRANCISCO JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	"Senior European Advisor" de Castlake LP, 1 November 2021	Castlake LP	Other external director

#### **Profile**

##### Mr. FRANCISCO JAVIER MARTÍNEZ-PIQUERAS BARCELÓ

##### **Appointment to the Board and roles**

Javier Martínez-Piqueras joined the AEDAS Homes Board as an Independent Director in October 2020 and was ratified by the General Shareholders' Meeting in June 2021. He currently serves as an 'Other External' Director (since November 2021).

##### **Career and relevant experience**

Javier Martínez-Piqueras (1973) has been Senior European Advisor to Castlake since November 2021 and Strategy Advisor to Grupo Ibereólica Renovables since February 2021. He brings a wealth of experience from his 23+ year career in Investment Banking, specialising in Equity Capital Markets (ECM). He was Global Head of Equity Capital Markets & Corporate Solutions at UBS, leading a team of 120 professionals across the globe (2012-2019), and prior to his tenure at UBS, he was with Bank of America Merrill Lynch, becoming Managing Director Head of ECM and Corporate Equity Derivatives for Iberia (1997-2012).

Javier has wide-ranging experience advising large company boards at a global level on capital and equity related solutions and a deep understanding of the real estate sector. In July 2020, he joined the Board of Millenium Hospitality Real Estate, a listed company that specialises in developing and investing in luxury hotels; he is also a member of its Real Estate Executive Committee and chairs its Investment and Strategy Committee.

He holds a dual bachelor's degree in Business Administration/Economics and Law from Universidad Pontificia Comillas (ICADE E-3).

Javier holds no shares of AEDAS Homes stock, nor does he have purchase options over shares in the Company. Through his role as Senior European Advisor to Castlake, he has a professional relationship with Evan Carruthers and Eduardo D'Alessandro, Proprietary Directors of AEDAS Homes (since the latter two are Castlake representatives). He has no other relationship with any other Board Members or Company Directors.

<b>Total number of other external directors</b>	1
<b>% total of the Board</b>	11.11%
<b>Remarks</b>	
-	

Indicate any changes which, where appropriate, have been made during the period in each director category:

Name of the board member	Date of the change	Prior category	Current category
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

<b>Remarks</b>			
-			

C.1.4 Complete the following table with information on the number of female board members at closing of the last 4 financial years and their category:

	Number of female Board members				% over total directors of each type			
	Financial year 2022-23	Financial year 2020-22	Financial year 2020-21	Financial year 2020	Financial year 2022-23	Financial year 2020-22	Financial year 2020-21	Financial year 2020
<b>Executive</b>	-	-	-	-	-	-	-	-
<b>Proprietary</b>	-	-	-	-	-	-	-	-
<b>Independent</b>	2	2	2	2	33.3%	33.3%	33.3%	33.3%
<b>Other external</b>	-	-	-	-	-	-	-	-
<b>Total:</b>	2	2	2	2	22.22%	22.22%	22.22%	22.22%

<b>Remarks</b>								
-								

C.1.5 State whether the Company has diversity policies in place relating to the Board of Directors of the Company with respect to issues such as age, gender, disability, education or professional experience. Small and medium enterprises, according to the definition stated in the Spanish Accounting Act, must report at least on the policy they have in place with respect to gender diversity.

Yes  No  Partial policies

If so, describe such diversity policies, their objectives, measures and the way in which they have been applied, as well as the results for the fiscal year. You should also state any specific measures taken by the Board of Directors and the Appointments & Remuneration Committee to achieve a balanced and diverse presence of board members.

<p>The Directors Selection Policy of AEDAS Homes, in force at the reference date of this Report, was approved on 5 November 2019 by the Board of Directors.</p> <p>Such policy seeks to ensure that all proposed director appointments respond to the needs of the Board of Directors and the Company, as well as good governance recommendations, and represent reasoned decisions, able to be audited by the shareholders.</p> <ul style="list-style-type: none"> <li>• General principles</li> </ul> <p>The Board of Directors should have the necessary size to ensure effective operation and participation, with an adequate proportion of different Director categories. Thus, it is recommended that the Board at all times consist of between nine and fifteen members, i.e. over the by-law minimum but never over the maximum.</p> <ul style="list-style-type: none"> <li>▪ Conditions to be met by all candidates</li> </ul> <p>Any candidates to Company director office should be honourable and suitable individuals with renowned professional solvency, competence, experience, qualifications, credentials, availability and committed to office, thus ensuring knowledge and gender diversity.</p> <p>In particular, they should be honest professionals whose conduct and professional track record follow the principles gathered in AEDAS Homes's Code of Conduct and the Company's values.</p> <p>Furthermore, when selecting candidates, the aim will be to achieve an adequate balance on the Board of Directors as a whole, to enrich decision-making and to provide diverse points of view when discussing matters within its remit.</p> <ul style="list-style-type: none"> <li>▪ Diversity objectives</li> </ul> <p>The Directors Selection Policy will continue pursuing its objective: that the number of members belonging to the under-represented gender reflect the percentage determined from time to time by the Good Governance Code for Listed Companies.</p>
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**In case the Company does not apply any diversity policy, explain the reasons why.**

<p><b>Description of the policies, objectives, measures and form of application, as well as the results obtained</b></p>
<p>-</p>

**C.1.6 Explain any measures taken by the Appointments Committee to ensure that selection processes are not subject to any implicit bias that would make it difficult to select female directors, and whether the company makes a conscious effort to search for female candidates with the required profile, allowing a balanced presence of men and women. Also indicate whether these measures include the company's effort to have a significant number of female senior executives:**

<p><b>Explanation of measures</b></p>
<p>At the Board meeting of 5 November 2019, the Directors' Selection Policy was approved, point 7 of which ("Diversity Targets") stated: the Directors' Selection Policy will encourage the appointment of members belonging to the under-represented gender. The Board of Directors urges the Shareholders with proprietary representation on the Board to take this target into account when submitting requests.</p> <p>In July 2019, the Appointments &amp; Remuneration Committee (CNR) approved the Regulations of the Appointments &amp; Remuneration Committee in order to address the recommendations contained in Technical Guide 1/2019 of the CNMV (20 February 2019). In addition, Title II Article 3 of these Regulations establishes that the mission of the Appointments &amp; Remuneration Committee is also to ensure the consistency of selection and remuneration policies for the Board, Senior Management and all other employees, including diversity amongst other factors to take into account.</p>

**When, despite the measures taken (where applicable), there are few or no female directors or senior executives, explain why:**

Explanation of reasons
<p>Pursuant to Article 5 of the Board of Directors Regulations, any proposals for the appointment or re-election of board members must be based on a prior analysis of the Board's needs, with preference given to a diversity of knowledge, experience and gender.</p> <p>In addition, the Company has taken steps and obtained specific results with a view to achieving greater gender diversity on the Board (as it is already highly diverse in many respects: training, professional experience, age, sector of source, etc.).</p>

**C.1.7 Explain the conclusions reached by the Appointments & Remuneration Committee on verified compliance with the policy seeking to encourage an adequate composition of the Board of Directors.**

<p>The Appointments &amp; Remuneration Committee has actively participated in drawing up a Directors' Selection Policy, ensuring that such selection prioritises potential candidates of both sexes who offer the required qualifications, professional experience and other vacancy requirements, seeking to promote diversity (gender diversity included) on the Board of Directors.</p> <p>As an example, to note is that in the last two directors selection processes our independent expert has been expressly requested to include female candidates. As a result, one woman was hired in one of these processes, and a man in the other.</p> <p>During this financial year, no vacancies have arisen and no new Directors have been appointed.</p>
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**C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the request of shareholders who hold less than 3% of the share capital:**

Personal or corporate name of the shareholder	Reason
-	-

Detail any failure to address formal requests for Board representation from shareholders with stakes equal to or exceeding that of others at whose request proprietary members were appointed. If so, explain the reasons why the request was not addressed:

Yes  No

Personal or corporate name of the shareholder	Explanation
-	-

**C.1.9 Indicate what powers, if any, have been delegated by the Board of Directors to directors or board committees, including the power to issue or buy back shares.**

Personal or corporate name of the board member or committee	Brief description
-	-

**C.1.10 List, where applicable, the Board Members, if any, who hold office as directors, director representatives or executives in other companies belonging to the listed company's group:**

Personal or corporate name of the board member	Corporate name of the group entity	Title	Does he/she have executive powers?
Mr. DAVID MARTÍNEZ MONTERO	Aedas Homes, S.A.	Director	Yes
	Live Virtual Tours, S.L.U.	Director	-
	Aedas Homes Opco, S.L.U.	Director	-
	Aedas Homes Servicios Inmobiliarios, S.L.U.	Director	-
	Egon Asset Development, S.L.U.	Joint Director	-
	Aedas Homes Rental, S.L.U.	Joint Director	-
	Aedas Homes Living, S.L.U.	Joint Director	-
	Falcon Desarrollos Inmobiliarios, S.L.U.	Joint Director	-



Personal or corporate name of the board member	Corporate name of the group entity	Title	Does he/she have executive powers?
Mr. DAVID MARTÍNEZ MONTERO	Servicios Inmobiliarios Mauna Loa, S.L.U.	Joint Director	-
	SPV Spain 2, S.L.	Director	-

Remarks
-

**C.1.11 Indicate any board member, director or manager positions (or representatives thereof) holding office as board members or representatives of the Company's Board of Directors in other entities, listed or unlisted:**

Identity of the board member or representative	Corporate name of the listed or unlisted entity	Title
Mr. EVAN ANDREW CARRUTHERS	Five Point Holdings, LLC	Board Member
	Ibitu Energia	Board Member
	Castlelake Lease Aircraft Trust 2014-1 (until 26/05/2022)	Board Member
	Castlelake Lease Aircraft Trust 2015-1 (until 26/05/2022)	Board Member
	Castlelake Lease Aircraft Trust 2016-1 (until 26/05/2022)	Board Member
	Castlelake Lease Aircraft Trust 2017-1 (until 26/05/2022)	Board Member
	Castlelake Lease Aircraft Trust 2018-1 (until 26/05/2022)	Board Member
	Castlelake Lease Aircraft Trust 2019-1 (until 26/05/2022)	Board Member
	Castlelake Lease Aircraft Trust 2021-1 (until 26/05/2022)	Board Member
Mr. EDUARDO EDMUNDO D'ALESSANDRO CISHEK	Millenium Hospitality Real Estate, SOCIMI, S.A.	Board Member
Mr. SANTIAGO FÉRNANDEZ VALBUENA	Investtech	Director
	EBN Banco	Director
	Mapfre Internacional	Director
	Mapfre Brasil	Director
	BrasilSeg	Director
Mr. MIGUEL BELTRÁN TEMBOURY REDONDO	Singular Bank	Chairman of the Appointments & Remuneration Committee
	Estudio Jurídico Miguel Temboury, S.L.U.	Sole Director
Ms. CRISTINA ÁLVAREZ ÁLVAREZ	Openbank	Board Member
	Santander Global Technology and Operations, S.L.	Board Member
	Banco Santander Totta	Board Membe
Mr. JAVIER LAPASTORA TURPÍN	Mostostal Warszawa, S.A.	Member of the Supervisory Board
	Banco Alcalá, S.A.	Board Member
	Servicios Financieros Carrefour EFC, S.A.	Board Member
	Glendalough Investments, S.L.	Sole Director
	Clonmacnoise Developments, S.L.	Sole Director
	Bazkariak Kalitate, S.L.	Sole Director
	Kilmore Management Services, S.L.	Joint Director
	Tullamore Properties, S.L.	Joint Director
	Connemara Properties, S.L.	Joint Director
	Westhill Inversiones, S.L.	Joint Director

Identity of the board member or representative	Corporate name of the listed or unlisted entity	Title
Mr. FRANCISCO JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	Millenium Hospitality Real Estate, SOCIMI, S.A.	Board Member
	Omega 93, S.L. (until 27/12/2022)	Joint & Several Director

Remarks
-

Indicate any other remunerated activities carried out by board members or their representatives, of any kind, other than those indicated in the table above.

Identity of the board member or representative	Other remunerated activities
Mr. EVAN ANDREW CARRUTHERS	Partner-Manager and Head of Investments for Castlflake
Mr. MIGUEL BELTRÁN TEMBOURY REDONDO	Managing Partner at Tembory Abogados, S.L. Senior Advisor to Barclays Bank (Investment Banking)
Ms. CRISTINA ÁLVAREZ ÁLVAREZ	Chief Technology & Operations Officer for Europe and Spain, Banco Santander Member of the Management Committee, Santander España
Ms. JAVIER LAPASTORA TURPÍN	Professional services as a financial advisor
Mr. FRANCISCO JAVIER MARTÍNEZ-PIQUERAS BARCELÓ	Senior European Advisor (Castlflake) (since 01/11/2021)
Ms. MILAGROS MENDEZ UREÑA	Manager at Mercer Investments (Mercer Consulting, S.L.U.).

Remarks
-

**C.1.12** Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit, identifying, where appropriate, where this is regulated:

Yes  No

Explanation of the rules and identification of the regulating document
Pursuant to Article 33.2 of the Board of Directors' Regulations of 25 May 2022, the Company's directors may not belong to more than four boards or management bodies in other companies that do not belong to the Company's Group. For the foregoing purposes, any office held in a holding company or proprietary director positions will be excluded from these calculations. Furthermore, any companies belonging to the same group will be treated as one company.

**C.1.13** State the amounts of the following global remuneration items paid to the Board of Directors:

Remuneration paid during the fiscal year to the Board of Directors (thousands of euros)	2,156
Total aggregate funds of current board members, under long-term savings plans with vested economic rights (thousands of euros)	-
Total aggregate funds of current board members, under long-term savings plans with unvested economic rights (thousands of euros)	50
Total aggregate funds of former board members, under long-term savings plans (thousands of euros)	-

Remarks
-

**C.1.14 List any members of the senior management who are not executive directors and indicate the total remuneration paid during the year:**

Personal or corporate name	Title
Mr. ALBERTO DELGADO MONTERO	General Business Manager
Mr. DAVID BOTIN COCIÑA	General Manager of Real Estate Services
Ms. MARÍA JOSÉ LEAL DE CARLOS	CFO
Ms. ESTHER DUARTE I MACARRO	Head of Corporate Resources
Mr. JAVIER SÁNCHEZ GUTIÉRREZ	Head of Technology & Communications
Mr. PATXI XABIER CASTAÑOS GIL	Head of the Legal Department (since 03/10/2022)
Ms. RAQUEL PILARES GUTIÉRREZ	Head of Internal Audit

<b>Number of female senior executives</b>	3
<b>Percentage over total senior executives</b>	43%

<b>Total remuneration received by senior management (thousands of euros)</b>	2,080
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Remarks
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**C.1.15 Indicate whether any changes have been made to the board regulations during the year:**

Yes  No

Description of changes
On 25 May 2022, the Board of Directors decided to update the Board of Directors' Regulations, adapting the latter to Act 11/2018, of 28 December, amending the Commercial Code, the consolidated version of the Spanish Capital Companies Act passed by Royal Legislative Decree 1/2010, of 2 July, and Auditing Act 22/2015, of 20 July, regarding non-financial reporting and diversity, Act 5/2021, of 12 April, amending the Capital Companies Act as regards promoted long-term involvement of shareholders in listed companies, in line with the new wording given to some recommendations of the Good Governance Code for Listed Companies, passed by the Spanish Securities Market Commission, after it was amended in June 2020, and other technical improvements. The former Board Regulations are dated 25 July 2019.

**C.1.16 Indicate the procedures for appointing, re-electing, evaluating and removing directors. List the competent bodies, the procedures to be followed and criteria used in each of these procedures.**

<p>Article 4 of the Directors Selection Policy describes the procedure, which is set out below:</p> <ul style="list-style-type: none"> <li>Analysis of competences, knowledge and experience of directors who already form part of the Board</li> </ul> <p>The CNR will maintain an up-to-date analysis of the competences, knowledge and experience of the Directors who already form part of the Board. In doing so, in addition to the information available at the moment each Director joins the Board of Directors, it will use any other relevant information emerging subsequently.</p> <p>As part of this analysis, it will assess the rest of the occupations of each Company Director, in particular the maximum number of Boards of which the Director can reasonably form part, ensuring that, in practice, Directors devote sufficient time and proposing appropriate measures if they do not.</p> <p>In this way, the CNR may contribute to defining the functions and aptitudes of the candidates who should fill the vacancies arising from time to time and help to assess, both during the selection process and on an annual basis, the time and dedication necessary for each Director to effectively perform his/her duties. To that end, account should be taken of the diversity objectives set by the Company.</p> <ul style="list-style-type: none"> <li>Competence matrix</li> </ul> <p>The CNR will keep an up-to-date competence matrix (the "Matrix") for the Board of Directors which defines the aptitudes and knowledge of the candidates to become Directors, Executive directors in particular, and Independent directors, and which helps the CNR define the functions that correspond to each position to be filled, as well as the most appropriate competences, knowledge and experience.</p>
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This Matrix will be updated periodically in line with the challenges and opportunities it is deemed the Company will be facing in the short, medium and long term.

The Matrix will take into account the Competence Matrix generally approved for the employees of AEDAS Homes, but adapted to the needs of the Board of Directors.

The Matrix will distinguish personal aptitudes (such as capacity for teamwork, business outlook, decision-making ability, etc.) as well as prior professional and learning experience (such as experience in AEDAS Homes' sector of activity, or in financial, legal, auditing matters, etc.), as well as any others that may be deemed appropriate.

- Start of the procedure

The Selection Procedure for Independent or Executives Directors will be initiated by a request from the Company Chairman sent to the CNR (the "Start Request"), following deliberation by the Board of Directors. The aim will be for the process to commence three months before the vacancy is posted, when this is known.

In order to do so, the Chairman will submit to deliberation by the Board of Directors the advisability of filling all the vacancies and will ask the Appointments & Remuneration Committee for its opinion in this regard.

When selecting candidates to become Directors, whether by appointment, ratification or re-election, the starting point will be an analysis of the needs of the Company and its Group, which will be carried out by the Board of Directors with the advice and opinion of the Appointments & Remuneration Committee. This Report, which the Chairman will send to the CNR together with the Start Request, will be published when the General Meeting is called, to approve any ratification, appointment or re-election.

Any Director may submit names of possible candidates. However, when candidates have been submitted for assessment by the CNR by significant Shareholders, Proprietary Directors or Executive Directors, the CNR will gather as much information as it deems appropriate in order to ensure that the proposed candidate has no links that could compromise his/her independence. The candidates proposed by the Directors will also be included in the Start Request.

- CNR Procedure: hiring an independent expert

The CNR will take responsibility for hiring the services of an Independent External Expert (the "Expert"), which will not provide other material services to the Company that could compromise its independence. In any event, the Activities Report of the CNR will inform of all the services provided by the Expert and its remuneration. The CNR will have autonomy to agree on the Expert's fees payable by the Company.

The Expert will propose candidates according to the report analysing the needs of the Company and its Group. The Expert will also analyse all the candidates proposed by the Directors. The Expert will make a reasoned proposal that contains at least three candidates for each vacancy to be filled, being entitled to express its order of preference.

The candidates proposed by the Expert will be interviewed by the members of the CNR.

In the context of these interviews, the CNR will ask the candidate for sufficient information on the rest of his/her activities and any potential conflicts of interest that may affect him/her, so that the CNR can assess the effect they may have on the ability of the candidate to perform his/her duties in the conditions established or on his/her current or future independence. This information should also be gathered on a regular basis and at least annually thereafter. In the assessment of independence, the CNR will go further than merely verifying that none of the specific situations envisaged in Article 529.*duodecies* of the Spanish Capital Companies Act ("LSC") exist, analysing in general terms whether the candidate is going to be able to perform his/her functions without being compromised by his/her relations with the Company or its Group, its Significant Shareholders or its Executives.

Before proposing its appointment to the Board of Directors, the CNR will inform the candidate on what is expected of him/her in terms of dedication, participation in Specialist Committees and his/her commitment to the Company.

Once the CNR procedure is complete, it will propose the name of the candidate to be appointed to the Board of Directors, identifying who put forward the name of the candidate selected for assessment by the CNR. The CNR can propose a shortlist of up to three candidates per vacancy and indicate its order of preference.

- Executive Directors

For Executive Directors, the provisions foreseen in the Succession Plan for the Board Chairman and CEO will be followed, implemented further to CNMV Technical Guide 1/2019 (section three, 6), on proposal from the Appointments & Remuneration Committee, and approved by the Board of Directors on 25 September 2019. In turn, this plan has taken this Section Policy into account for the process.

The Plan seeks to ensure an orderly succession of the Board Chairman and CEO. In the event of an overriding non-provisional absence of the Board Chairman or CEO, it will identify those persons who will temporarily take over and the process to follow until the Board of Directors designates a new Chairman and/or CEO.

This Succession Plan treats succession of the Board Chairman separately from that of the CEO, in the event of advance notice or a future dismissal, or if they are both simultaneously dismissed.

In turn, it describes the candidate search and selection process, taking any knowledge, skills and experience into account, amongst other roles and profiles; of interest is the absence of discrimination amongst candidates on the grounds of race, sex, religion or beliefs, political opinions, nationality, origin, physical disability or any other personal, physical or social trait; in general, this includes any personal circumstance beyond the scope of performance expected of each candidate if he/she is eventually selected.

In particular, the search and selection process will not contain any implicit or explicit bias that limits the scope of potential candidates or that positively or negatively discriminates candidates on the basis of such personal features.

For candidate search and selection purposes, the CNR may recruit renowned external advisors to seek out potential candidates and supervise the process, if previously instructed, expressly and in writing.

- Proprietary Directors

When the Director to be appointed is a Proprietary Director, the party putting him/her forward will ensure that the person meets the requirements of competence, knowledge, fit and proper status and aptitude that would be required of a candidate to become an Independent Director, according to the terms of this Selection Policy.

For the selection of Proprietary Directors, application of the regulations on proportional representation notwithstanding, account will be taken of the requests from Shareholders who hold significant stakes in the share capital of the Company, as well as the formal petitions for presence on the Board of Directors from Shareholders whose shareholding is equal to or higher than that of others at whose request Proprietary Directors were appointed.

In the event the appointment of a Proprietary Director is proposed by a shareholder whose shareholding is lower than 3%, the CNR will gather information on the reasons for the proposal and explain them in the report that it has to draft in relation to the appointment.

- Special conditions applicable in the case of director re-election

In proposals for the re-election of Directors, account will be taken of the same factors as for the first election and, moreover, performance and assessment of the Director during the time he/she held the position will be taken into account, in addition to his/her ability to continue performing it satisfactorily.

Moreover, in re-election proposals, the CNR will take into account the need for a progressive renewal of the Board of Directors. In this regard, account should be taken of factors such as the diversity targets established by the Company, potentially considering, among other aspects, the time each Director has held his/her position and the possibility of establishing a term which is shorter than the legally stipulated one, such as the age factor, both individually and in relation to the average age of the Board as a whole.

- Special conditions for director severance

Except for the powers that correspond to the General Meeting, any proposal to sever Independent Directors that the Board of Directors is to submit to the General Meeting must be at the initiative of the CNR, once the existence of just cause has been assessed.

- Coordinator Director and Secretary of the Board of Directors

The appointment of the Coordinator Director, in the event there is one and given the responsibilities and functions of the position, will be at the proposal of the CNR.

The appointment of the Secretary to the Board of Directors will be the subject of a report from the CNR.

- Conditions the candidates must meet

Candidates to become Company Directors will be suitable, fit and proper persons, with recognised professional solvency, competence, experience, qualification, training, availability and commitment to their duty, seeking to ensure a diversity of knowledge and gender.

In particular, they will be sound professionals, whose conduct and professional background is in line with the principles contained in the Code of Conduct of AEDAS Homes and the Company's values.

Moreover, when selecting candidates, the aim will be to achieve a proper balance on the Board of Directors as a whole, which enriches decision-making and offers multiple points of view when discussing matters within its remit.

- Restrictions affecting candidates

Persons affected by legal prohibitions or incompatibility for the position are not entitled to director office, such as the following:



- i. Those persons who have held positions as Senior Executives in Spanish Public Administrations or Companies or in National or Regional Governments which are legally incompatible with the performance of Director functions in a Listed Company, pursuant to Spanish state or regional legislation.
  - ii. Natural or legal persons affected by any other scenario of incompatibility or prohibition regulated in general provisions.
  - iii. Persons who hold administrator positions on Governing Bodies or other companies constituting a number that exceeds the limits established by the Regulations of the Board of Directors of the Company, or that would exceed the same if appointed Director in the latter, unless they undertake to comply with the number indicated in the event they are appointed.
  - iv. Those who perform similar functions or hold similar positions or responsibilities in companies that are direct competitors of the Company, in entities that control such companies and, in general, those persons whose position could potentially constitute a permanent conflict of interest.
  - v. Those who have reached 72 years of age at the time of the appointment, ratification or re-election.
- The Directors Selection Policy was approved by the Board on 5 November 2019, and the Competence Matrix was approved by the CNR on 20 May 2020, duly notifying the Board that same day.

**C.1.17 Explain the extent to which the annual evaluation of the Board has prompted significant changes in its internal organisation and the procedures that apply to its activities:**

Description of changes
<p>AEDAS Homes, according to the CNMV Good Governance Code for Listed Companies (Recommendation 36), is assisted every 3 years by an external consultant in order to complete a self-evaluation of the Board and its Committees. Consequently, the Company was externally assisted by KPMG for its 2021/22 Self-Evaluation and previously in 2018. This is why, for the 2022/23 financial year, a self-evaluation of the Board and its Committees was carried out in house.</p> <p>On 29 November 2022, the Appointments &amp; Remuneration Committee (CNR) decided to launch such self-evaluation process, as well as the basic milestones of such process during the financial year. The CNR Chairman explained that a digital questionnaire would be sent to all Directors in order to assign a score and also give their free opinion on the various matters subject to an annual self-evaluation, in order to determine performance of the Company's Board of Directors and its Committees. It highlighted the relevance of Directors pointing out any room for improvement they considered relevant.</p> <p>Next, the CNR Secretary drafted such questionnaire along with the CNR Chairman and liaised with the Company's senior IT manager to issue it in digital form, thereby guaranteeing utmost access and user-friendliness for all Directors.</p> <p>The CNR Chairman went over the anonymous replies received from all the Directors, analysing them and drawing up a report. In this report, the CNR Chairman, in addition to aggregate scores to quantitative questions, included any remarks and general proposals submitted by the Directors. He also included proposals about what actions for improvement could be proposed to the Board. The CNR Chairman then circulated such report amongst all the Committee members and reported the results affecting the Chairmen of the Audit &amp; Control Committee (CAC) and Technology, Innovation &amp; Cybersecurity Committee (CTIC), so they could be aware of the self-evaluation results generated for the Committee they each chair.</p> <p>At the CNR meeting of 14 February 2023, the CNR Chairman went over the self-evaluation results that he himself had included in his report, and his proposed action for improvement. Next, a brief discussion was held which, in addition to covering the outcome of the questionnaire, referred to the improvement proposals to be presented to the Board of Directors.</p> <p>At the Board Meeting of 14 February 2023, the CNR Chairman presented the self-evaluation results of the Board and its Committees for the 2022/23 financial year. He indicated that the resulting scores of the year's questionnaires were generally good or very good. Next, he briefly went over the questions that had received the best scores, and those with the lowest score. He also referred to some observations and remarks that some Directors had included amongst their replies.</p> <p>Finally, the CNR Chairman highlighted that all Directors had actively participated, contributing their comments and suggestions for improvement.</p> <p>As a result of the evaluation, the following actions for potential improvement were proposed:</p> <ul style="list-style-type: none"> <li>▪ Strategy: strategy should be discussed in at least one Board meeting a year,</li> </ul>

- ESG: the Board should be given a yearly updated breakdown of the Company’s ESG Plan, with a further yearly update, and
- Risks: the Board should be subject to a specific risk review at least once a year.

The Board of Directors, on 14 February 2023, unanimously approved the actions proposed for 2023/24, in order to continue improving operation of the Board and its Committees. Furthermore, it was recommended that some future Board meetings set some time aside to discuss key issues underlying the improvement actions approved.

**Describe the evaluation process and the areas evaluated by the Board backed up, where appropriate, by an external consultant with respect to the performance and composition of the Board and its committees, as well as any other area or aspect evaluated.**

<b>Description of the evaluation process and areas evaluated</b>
<p>The Self-Evaluation process of the Board of Directors and its Committees for 2022/23 was carried out in house. It basically involved the following:</p> <ul style="list-style-type: none"> <li>▪ Circulation of a digital questionnaire amongst the various Directors (and the non-director member of the Technology, Innovation &amp; Cybersecurity Committee, only as regards the latter’s self-evaluation), drawn up in house, reviewed by the CNR Chairman. The questionnaire gathered general issues, related to operation, responsibilities and Senior Management relations.</li> <li>▪ The questionnaire was designed in digital form in order to facilitate Director access at all times and to continuously safeguard the anonymity of those polled. In addition, the CNR Chairman (assisted by the Secretary) processed the aggregate results and included them in his report.</li> <li>▪ With the replies of the questionnaire recipients, the CNR Chairman drew up a self-evaluation report which, in addition to referring to the Board, also submitted key data by Committee (CAC, CNR and CTIC), as well as aggregate data for the Board’s self-evaluation.</li> <li>▪ The CNR Chairman submitted such Self-Evaluation Report to the Board of Directors.</li> </ul>

**C.1.18 Break down, in those fiscal years in which the evaluation has been supported by an external consultant, the business relations that the consultant or any group company maintains with the Company or any other company of its group:**

The three-year evaluation of the Board of Directors, in accordance with the CNMV Good Governance Code for Listed Companies (Recommendation 36), is assisted by an external consultant, when self-evaluating the Board and its Committees. This is why the Company was externally assisted by KPMG in the 2021/22 Self-Evaluation and previously in 2018.

To date, KPMG is the external auditor for three project companies of the Group, acquired in July 2021, whose audited fiscal period refers to the 2022 calendar year.

The Audit & Control Committee ensures that the Company and its external auditor uphold current rules on the provision of non-auditing services, limits on the auditor’s business concentration and, in general, other rules on auditor independence.

**C.1.19 State the cases in which the Directors are forced to resign.**

Pursuant to Article 20 of the Board Regulations of 25 May 2022, all directors should waive office before the Board of Directors and, where deemed necessary by the Board, submit their resignation in the following cases:

- (i) When they cease to hold the executive positions associated to their appointment as board members.
- (ii) When they are affected by any of the grounds for incompatibility or disqualification set out in the Act or the Company’s By-laws.
- (iii) When they are severely reprimanded by the Board of Directors because they have infringed their obligations as board members.
- (iv) When their presence on the Board could endanger or harm the interests, credit or reputation of the Company, or when the reasons for their appointment no longer apply, including (though not limited to) the occurrence of significant changes in their professional situation or conditions under which they were appointed board members.

(v) When they are convicted of a criminal offence or are the subject of disciplinary proceedings by supervisory authorities as a result of serious or very serious misdemeanours.

(vi) In the case of proprietary directors: (i) when the shareholder they represent sells its entire stake or reduces it significantly, and (ii) in the corresponding number, when the shareholder reduces its stake to a level that requires a reduction in the number of proprietary directors.

(vii) If they belong to more than four boards (or management bodies) in other companies that are not part of the Company's Group. For these purposes, office held in holding companies or entities where the position held is that of proprietary director will be excluded from these calculations. Furthermore, all companies belonging to the same group will be treated as one company.

(viii) When for reasons attributable to the board member, his/her presence on the Board causes serious harm to the Company's corporate equity or reputation, in the Board's opinion.

**C.1.20 Are qualified majorities other than those prescribed by law required for any type of decision?**

Yes  No

If so, describe the differences.

Description of differences
-

**C.1.21 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman of the Board of Directors.**

Yes  No

Description of requirements
-

**C.1.22 Indicate whether the By-laws or the Board Regulations set any age limit for Directors:**

Yes  No

	Age limit
President	-
CEO	-
Board Member	-

Remarks
-

**C.1.23 Indicate whether the By-laws or the Board Regulations set a limited term of office or additional and stricter requirements for independent directors, other than those set out by law:**

Yes  No

<b>Additional requirements and/or maximum number of years for term of office</b>	12
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Pursuant to Article 19.1 of the Board Regulations of 25 May 2022, directors will hold office for a three-year term, after which they may be re-elected once or several times for periods of equal duration. In turn, pursuant to Article 19.4 of the Regulations, Independent Directors may not remain as such for a continuous period that is longer than 12 years.

**C.1.24 Indicate whether the By-laws or the Board Regulations stipulate specific rules for delegating voting rights to other directors on the Board of Directors, how this is done and, in particular, the maximum number of times that voting rights may be delegated to a board member, as well as whether there is any limitation on the categories to which proxies can be delegated, in addition to any restrictions imposed by law. If so, provide brief details of said rules.**

Pursuant to Article 17.2 of the Board Regulations of 25 May 2022, directors will do everything within their reach to attend all Board Meetings (whether in person or remotely) and when they are unavoidably unable to attend in person, they shall grant a proxy, in writing and specifically for each session, to another member of the Board, including the relevant instructions and notifying the Chairman of the Board of Directors of any such proxy. In the case of non-executive directors, they may only be represented by another member of the Board of Directors who is classified in the same category. A record of the number of absences at Board of Directors meetings shall be included in the Annual Corporate Governance Report.

**C.1.25 State the number of board meetings held by the Board of Directors during the year. Also, state, where applicable, how many times the Board has met without the Chairman’s attendance. Attendance will also include proxies appointed with specific instructions.**

<b>Number of Board meetings</b>	7
<b>Number of Board meetings without the Chairman’s attendance</b>	0

<b>Remarks</b>
During the 2022/23 financial year, the Board of Directors held 7 meetings in person and 1 meeting in writing without a session.

**State the number of meetings held by the coordinating director with the rest of the directors and without the attendance or representation of any executive director:**

<b>Number of meetings</b>	-
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<b>Remarks</b>
-

**State the number of meetings held in the fiscal year by various Board Committees:**

<b>Number of meetings of the Audit &amp; Control Committee (CAC)</b>	7
<b>Number of meetings of the Appointments &amp; Remuneration Committee (CNR)</b>	7
<b>Number of meetings of the Technology, Innovation &amp; Cybersecurity Committee (CTIC)</b>	4

<b>Remarks</b>
-

**C.1.26 State the number of Board meetings held by the Board of Directors during the year and the assistance data of their members:**

<b>Number of meetings with an attendance rate in person of at least 80% of the members</b>	6
<b>% of attendance in person over the total of votes during the fiscal year</b>	100%
<b>Number of meetings with attendance in person or proxies appointed with specific instructions, for all directors</b>	4
<b>% of votes cast in person and proxies appointed with specific instructions, over the total votes during the fiscal year.</b>	100%

<b>Remarks</b>
-

**C.1.27 State whether the consolidated and individual financial statements submitted for authorisation by the Board are previously certified:**

Yes  No

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements for authorisation by the Board:

Name	Title
-	-
Remarks	
-	

**C.1.28 Explain the mechanisms, if any, put in place by the Board of Directors to ensure that any annual accounts submitted by the Board to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.**

Article 38.2 of the Board Regulations of 25 May 2022 provides as follows: "The Audit & Control Committee will ensure that the annual accounts submitted by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting regulations. In exceptional situations, where the auditor has issued a qualified auditing report, the Chairman of the Audit & Control Committee will clearly explain at a General Meeting what such Committee thinks about its content and scope."

In this regard, the Audit & Control Committee, comprising mostly independent directors, holds a meeting with the external auditors in order to review the Company's annual accounts and some of the periodic financial information that must be reported by the Board of Directors to the markets and their supervisory authorities, confirming compliance with any legal requirements and the correct application of generally accepted accounting principles in the preparation of accounts. Such meetings anticipate, if necessary, any debate or difference of opinion between AEDAS Homes's Management and the external auditors, in such a way that the Board of Directors may take appropriate measures to ensure that the auditor's report is issued without qualifications.

The Audit & Control Committee holds meetings with the Auditor, CFO and Head of Internal Audit.

In turn, in compliance with regulations governing listed companies, the Internal Audit Management checks the effectiveness of the system for Internal Control on Financial Reporting (ICFR - SCIIF) in order to provide reasonable certainty about the reliability of any financial-economic reports issued by a listed company and addressed to the market.

Further to good practices in corporate governance, an external auditor reviews this ICFR Model (SCIIF Model), the outcome of which is attached.

**C.1.29 Is the Board Secretary also a member of the board?**

Yes

No

**Complete the following table if the Board Secretary is not a board member:**

Personal or corporate name of the secretary	Representative
Mr. ALFONSO BENAVIDES GRASES	-

Personal or corporate name of the deputy secretary	Representative
Mr. PATXI XABIER CASTAÑOS GIL (since 18/10/2022)	-

Remarks
The Board of Directors, at its meeting held on 18/10/2022, decided to appoint Mr. Castaños Gil as the new non-director vice-secretary, Head of the Legal Department, replacing Ms. Pérez Arzo.

**C.1.30 Indicate, where applicable, the specific mechanisms implemented by the company to preserve the independence of external auditors, as well as the mechanisms, if any, to preserve the independence of financial analysts, investment banks and rating agencies, including the way in which the law has been applied in practice.**

Pursuant to Article 38 of the Board Regulations of 25 May 2022, the Audit & Control Committee is responsible for submitting a proposal to the Board of Directors, which will in turn submit it to the General Shareholders' Meeting, for the appointment (with details of the contractual conditions and the scope of the professional duties engaged) or renewal or revocation of the auditor for the Company's annual accounts. It is also responsible for overseeing compliance with the auditing agreement under Article 14 of the Regulations and the terms of the Committee's own internal regulations, which may be approved by the Board of Directors.

The Audit & Control Committee shall refrain from proposing to the Board of Directors (and the latter shall in turn refrain from proposing to the General Shareholders' Meeting) the appointment as the Company's auditors of any auditing firm that is affected by any incompatibility pursuant to the regulations governing accounts auditors, or any firm that charges the Company fees, in respect of all items, that exceed five per cent of its total income during the last financial year.

The Audit & Control Committee will ensure that the annual accounts submitted by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting regulations. In exceptional cases, where the auditor has issued a qualified auditing report, the Chairman of the Audit & Control Committee will clearly explain at a General Meeting what such Committee thinks about its content and scope.

The Board of Directors shall provide a full itemised breakdown, publicly and in the manner set out in applicable regulations, of the fees paid for accounts auditing and any other services provided by the auditor, along with details of the fees paid to people or organisations connected with such auditor.

In addition, under Article 14 of the Board of Directors Regulations, the Audit & Control Committee must ensure the independence of the accounts auditor in the performance of its duties.

**C.1.31 State whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors.**

Yes  No

Outgoing auditor	Incoming auditor
-	-

Remarks
-

**If there have been disagreements with the outgoing auditor, explain the content thereof:**

Yes  No

Explanation of disagreements
-

**C.1.32 Indicate whether the auditing firm performs non-auditing work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group:**

Yes  No

	Company	Group	Total
Fees for non-auditing work (thousands of euros)	66	12	78
Fees for non-auditing work/total amount invoiced by the auditing firm (%)	27,02%	5.06%	32.08%

Remarks
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During the period covered by this Annual Corporate Governance Report, from 1 April 2021 to 31 March 2022, the Company has hired an auditing firm for another job other than the auditing of accounts, in order to meet the requirements established in Article 540 of the consolidated version of the Spanish Capital Companies Act and Circular No. 7/2015 of 22 December, issued by the Securities Market Commission, in order to describe the Internal Control System applied to Financial Reporting included in this Annual Corporate Governance Report, as well as to verify the financial ratios associated to Green Bonds, to check certain headings in the consolidated current balance sheet and consolidated profit & loss account of the group headed by AEDAS Homes, for the first and third quarters of the financial year,



to conduct a limited review on the Six-Monthly Financial Report and to verify the Non-Financial Information included in the Integrated Report.

The auditing firm works further to procedures in place, based on international standard ISRS 4400.

**C.1.33 Indicate whether the auditing report on the previous year's financial statements is qualified or includes reservations. If so, indicate the reasons given by the Chairman of the Audit Committee to the shareholders to explain the content and scope of such reservations.**

Yes

No

Explanation of reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

-

**C.1.34 Indicate the number of consecutive years during which the current auditing firm has been auditing the individual and/or consolidated financial statements of the company and/or its group. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited:**

	Individual	Consolidated
Number of consecutive years	8	8
Number of years audited by the current auditing firm / Number of years during which the company's financial statements have been audited (%)	100%	100%

Remarks

-

**C.1.35 Indicate whether there are procedures for directors to receive the information they need in enough time to prepare for meetings of the governing bodies and, where applicable, give details:**

Yes

No

Description of the procedure

Article 16 of the Board Regulations of 25 May 2022, establishes that notices convening meetings of the Board of Directors shall be sent out at least seventy-two hours before the date of the meeting. The notice will always include the agenda for the meeting and will be accompanied by the relevant information, duly prepared and summarised.

**C.1.36 Indicate and describe any rules established by the company that require directors to inform the board of any circumstances that might harm the company's name or reputation, resigning as the case may be, whether or not related to their conduct in the company itself:**

Yes

No

Explanation of the rules

Article 20.2 of the Board Regulations of 25 May 2022, amongst other issues, foresees that directors must hand over their position to the Board of Directors and formalise each resignation (if deemed appropriate) (i) if their permanence on the Board could endanger or be detrimental to the Company's interests, creditworthiness or reputation, or if the reasons no longer exist behind their appointment including, without limitation, if significant changes take place in their professional situation or in the conditions in which they were appointed to office, and (ii) if they are charged with potentially criminal facts or are immersed in disciplinary proceedings due to a serious or very serious offence, initiated by supervisory authorities.

**C.1.37** Indicate, unless there are special circumstances reflected in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his/her conduct in the company itself, which could harm its creditworthiness and reputation:

Yes  No

Name of the Director	Type of situation	Remarks
-	-	-

In the foregoing situation, indicate whether the Board of Directors has examined this matter. If so, explain in a reasoned manner whether, in light of specific circumstances, any measure has been adopted, such as filing an in-house investigation, requesting that the director resign or proposing his/her dismissal. Also indicate whether the board's decision was based on an opinion issued by the Appointments & Remuneration Committee.

Yes  No

Decision/action taken	Reasoned explanation
-	-

**C.1.38** List the significant agreements that have been signed by the company and have come into force, been modified or terminated in the event of a change in the company's control through a takeover bid, and their effects.

During the current financial year, no significant agreements were amended or concluded as a consequence of a change of control in the Company.

Nevertheless, the Company and its subsidiaries, in their ordinary course of business, have executed certain facility agreements which usually contain change of control clauses; at present, this is standard practice in the loans market.

**C.1.39** Identify individually, when referring to Directors, and in aggregate for all other cases, and provide detailed information on agreements between the company and its officers, executives and employees that provide compensation, guarantees or protection clauses in the event of their resignation, unfair dismissal or dismissal as a result of a takeover bid or other kinds of operations.

<b>Number of beneficiaries</b>	8
<b>Type of beneficiaries</b>	<ul style="list-style-type: none"> <li>▪ CEO</li> <li>▪ Management Committee</li> </ul>

**Description of the agreement with the CEO**

In the potential event of the agreement's termination as a result of the CEO's unilateral resignation, the CEO will not be entitled to receive any compensation or indemnification, unless his/her resignation is caused by a change in control in the Company. To this end, it shall be understood that there has been a change of control when either of the following two situations arises: (i) a third party directly or indirectly acquires more than 50% of the Company's voting rights; or (ii) a third party appoints half plus one of the members of the Board of Directors. In this case, provided that the CEO's resignation occurs within six months following the change of control, the CEO shall be entitled to receive gross compensation equivalent to two years' fixed salary in the amount being paid at the termination date.

In the event of the agreement's termination at the unilateral request of the Company, the CEO shall be entitled to receive gross compensation equivalent to two years' fixed salary in the amount being paid at the termination date.

In cases in which the agreement is terminated at the sole request of the Company, as set out in a resolution passed by the Board of Directors or as a result of a partial or total revocation by the Board of Directors of the powers delegated by the Board or the Company to the CEO, three months' prior notice must be given. During the prior notice period, the Company may release the CEO from performance of his/her duties, though it shall continue to pay him/her the usual salary. In the event of a breach of the obligation to give the required prior notice, the Company must compensate the CEO in an amount equivalent to the fixed payment applicable at the time the agreement was terminated for the prior notice not given.

Notwithstanding the foregoing, the CEO shall not be entitled to any compensation or indemnification, nor shall the Company be obliged to uphold any prior notice, in the event that termination is caused by an infringement of the Act, the Company's By-laws, the Board of Directors' Regulations, the Regulations governing the General Shareholders' Meeting or any other company rule or resolution that applies to the performance of CEO duties, or that is caused by a breach of CEO obligations under the terms of this Agreement, including the duty of contractual good faith, provided that the infringement or breach in question is classified as very serious and can be attributed to the CEO in the form of a serious or wilful offence.

As compensation for a non-compete obligation, the CEO shall receive a gross amount equivalent to one year's fixed salary in the amount being paid at the termination date. This amount shall be paid in full at the time when the Agreement is terminated.

**Description of the Management Committee agreement**

Clause applicable to 3 members of the Management Committee:

- Termination of the contract by unilateral decision of the Company, based on a change of control thereof, merger or acquisition by another company that involves a downsizing in staff

In the termination scenarios provided (if unilaterally decided by the Company, as a result of a change of control therein, merger or purchase of another company requiring a downsizing in staff), a worker will have the right to receive a gross amount equivalent to one year's fixed salary in the amount he/she was being paid at the termination date, with a mandatory three-month prior notice.

The agreement shall be binding during the three years following its signature date.

- Post-contractual non-compete obligation

Given the interest of the Company in the worker not competing with it after termination of this Agreement, in one of the events set out herein, both parties have agreed that the worker shall refrain from carrying out activities that compete with those of the Company, either on his/her own account or on behalf of a competing company, using the knowledge or specific practices the worker had acquired either directly or indirectly during the term of the contract to his/her benefit or that of a competitor.

In particular, the worker shall refrain, on behalf or on account of a third party, directly or indirectly, from carrying out offers, propositions, enticing or requesting a person who at the contractual termination date is hired by the Company to leave it, to hire or give employment to another person or make her/him be hired or employed by another natural or legal person that carries out business competing with any of the Company's business activities.

In exchange for this post-contractual non-compete obligation, the Company will pay the worker gross compensation equivalent to one year's fixed remuneration (being paid at the termination date).

The worker shall refrain from competing in the terms stated for the duration of a year, to be counted from the termination date of the contract in question.

In case the worker fails to refrain from competing after termination of the Agreement in the terms stated, he/she shall return to the Company any amount accordingly paid.

Clause applicable to 1 member of the Management Committee:

- Permanence clause

The worker has agreed on a permanence clause, whereby his employer company undertakes to not dismiss him unfairly or for objective causes, during a 24-month period since the effective date of the contract. If the Company were to dismiss the worker unfairly or for objective causes before expiry of this permanence clause, it will compensate the worker for the period remaining under such clause, over his salary. To that end, the annual variable salary taken into account will be the one received by the worker during the twelve months preceding the termination date. Indemnification for such breach of the permanence clause will be in addition to any other the worker may be entitled to as severance pay, foreseen in the Spanish Workers' Statute. No breach of this permanence clause will apply in any case other than the worker's unfair disciplinary dismissal or his dismissal for objective causes.

Clause applicable to 1 member of the Management Committee:

- Contractual termination due to an unfair disciplinary dismissal or an objective dismissal, under Art. 52.c) of the Workers Statute [Estatuto de los Trabajadores] (ET)

If this contract is terminated due to (i) a recognised disciplinary dismissal, or which is declared as unfair, or (ii) dismissal based on objective reasons under Art. 52.c) of the Workers Statute (fair or unfair, individual or collective), the Employer Company undertakes to pay gross indemnification to the worker, equivalent to one and a half annuities of his/her fixed gross remuneration in cash, which the Worker had been receiving at the contractual termination date, subject to three months' prior notice. This indemnification replaces any legal severance that the worker may be entitled to, under current law at

the termination date, in cases (i) and (ii) above, unless the latter is higher, in which case the Company will pay legal damages only. In no case will indemnification be paid twice. The Parties will state for the record that either the indemnification established in this clause is being paid (if greater than legal damages) or that legal damages are being paid (if higher than the indemnification established in this clause).

This clause will remain in force for 3 years as of the date indicated at the top of the Amendment Addendum of Clause Four (Addendum of December 2022). Its validity will be extended for three-year periods, unless either party informs the other of its decision to not extend it, in writing, at least one month before expiry of the initial term or any extension hereof. Once the initial timeframe has expired, or any of its extensions, the provisions of this Clause will be automatically voided.

- Post-contractual non-compete clause

Given that the Company effectively wishes to ensure that a worker does not compete with the Company following his/her contractual termination, and provided that his/her employment contract is cancelled due to (i) a recognised disciplinary dismissal, or which is declared as unfair, or (ii) dismissal based on the objective reasons foreseen in Art. 52.c) of the Workers Statute (fair or unfair, individual or collective), both parties have agreed that the worker will refrain from carrying out any activities that compete with the Company's, whether on his/her own or on behalf of a competitor employer, personally using, or to the benefit of a competitor, any knowledge or specific practices that the worker has directly or indirectly acquired whilst this Contract was in force (...).

In particular, the worker will refrain from carrying out, for or on behalf of any third party, directly or indirectly, offers, proposals; inducing or enticing someone who at the contractual termination date was hired by the Company, in order to leave the same; recruiting or employing, through someone else, or to ensure that the latter is hired or employed by another legal or natural person, in order to conduct business competing with any of the Company's business activities.

As compensation for this post-contractual non-compete obligation, the Company will pay the Company gross compensation equivalent to one annual payment of his/her fixed cash remuneration, which was being paid at the termination date.

- Period of abstention

The worker will refrain from competing in the foregoing terms for a one-year period, as of termination of his/her contract.

- Breach

If the worker breaches his/her non-compete obligation following termination of the contract, in the terms described, he/she will return to the Company any compensation accordingly received.

**Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group beyond the cases foreseen by law. If so, specify the proceedings, the stipulated cases and the nature of the bodies responsible for their approval or communication:**

	Board of Directors	General Meeting
Body authorising the clauses	Yes	No
	Yes	No
Is the General Shareholders' Meeting informed of such clauses?	x	-
<b>Remarks</b>		
Protection clauses were approved at a meeting of the Board of Directors held on 23 March 2022 for 6 members of the Management Committee. For 1 member of the Management Committee, this was approved on 22 July 2021 by the CEO of Aurea Ibérica Promoción, S.L.U. Finally, for another member of the Management Committee, this was approved on 29 November 2022 by the CEO.		

## C.2 Fees of the Board of Directors

### C.2.1 Give details of all the fees paid to the Board of Directors, its members, and the proportion of executive, proprietary, independent and other external directors represented:

#### AUDIT & CONTROL COMMITTEE

The Audit & Control Committee (CAC) of AEDAS Homes was appointed by the Board of Directors at a meeting held on 27 September 2017. On 23 June 2020, the Ordinary General Shareholders' Meeting of AEDAS Homes re-elected all the Directors belonging to the CAC for the 3-year term foreseen in the By-laws. The Committee's composition, general delegated function and its regulations are gathered below.

Name	Title	Category
Mr. JAVIER LAPASTORA TURPÍN	Chairman (since 29/11/2022)	Independent
	Member (until 29/11/2022)	
Mr. SANTIAGO FERNÁNDEZ VALBUENA	Member (since 29/11/2022)	Independent
	Chairman (until 29/11/2022)	
Mr. EDUARDO EDMUNDO D'ALESSANDRO CISHEK	Member	Proprietary
<b>% of proprietary directors</b>		33.33%
<b>% of independent directors</b>		66.67%
<b>% other external members</b>		0.00%

Remarks
Pursuant to Article 14.4 of the Board Regulations of 25 May 2022, the Board of Directors, at its meeting of 29 November 2022, unanimously decided to elect a new Chairman of the Audit & Control Committee for a 4-year term, without prejudice to his continuity or re-election as a Committee member.

**Explain the duties attributed to this committee, including, where applicable, those additional to the ones set out by law, and describe the organization and performance procedures and rules thereof. For each of those duties, state their most important actions during the fiscal year and how they have executed in practice the duties attributed by law or in the By-laws or any other corporate agreement.**

<p>Pursuant to Article 14 of the Board Regulations of 25 May 2022, the Audit &amp; Control Committee (CAC) is an internal body for reporting and consultation purposes, with no executive duties, entitled to report, provide advice and proposals within the scope of action described therein. The Audit &amp; Control Committee will consist of at least three and a maximum of five Directors, appointed by the Board of Directors itself; all members must be Non-Executive Directors. Most of the members of the Audit &amp; Control Committee will be independent and one will be designated based on his knowledge and experience in accounting or auditing matters, or both.</p> <p>Furthermore, the Board of Directors will appoint a Chairman of the Audit &amp; Control Committee from amongst the independent directors belonging to such Committee. Moreover, the Board of Directors may designate a Vice-Chairman, if deemed appropriate; the appointment of a Vice-Chairman will be subject to the provisions applicable to the Chairman's appointment.</p> <p>All Directors belonging to the Audit &amp; Control Committee will remain in office whilst their appointment as Company Directors is in force, unless otherwise agreed by the Board of Directors. The renewal, re-election and dismissal of Committee Directors will be governed by what is agreed by the Board of Directors. Chairman office will be held for a maximum of four years, after which he may not be re-elected Chairman until one year transpires since expiry of office, without prejudice to remaining or being re-elected as a Committee member.</p> <p>Office as Secretary of the Audit &amp; Control Committee will be vested upon someone designated by the Board of Directors; such Secretary need not belong to the Audit &amp; Control Committee, in which case he need not belong to the Board of Directors. Office as Secretary of the Audit &amp; Control Committee may be entrusted to the Board Secretary or to someone else.</p> <p>Notwithstanding any other tasks that may be assigned to it by the Board of Directors, the Audit &amp; Control Committee shall be responsible for the following basic duties:</p>
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- (i) Informing the General Shareholders' Meeting on questions raised by shareholders at the Meeting, where such questions fall within its competence and, in particular, on auditing results, explaining how this has contributed to financial information integrity and the role that the Audit & Control Committee played in the process.
- (ii) Overseeing the efficacy of both the Company and group's internal monitoring, internal auditing and risk management systems, and discussing with the external accounts auditor any significant weakness in the internal monitoring system that it has detected during its own audit, without compromising its independence. To this end, in the event that it identifies significant weaknesses, it shall submit recommendations or proposals to the administrative body and provide a monitoring timeframe.
- (iii) Overseeing the process for the preparation and submission of regulatory financial information and submitting recommendations or proposals to the Board of Directors, aimed at safeguarding the integrity of such information.
- (iv) Proposing to the Board of Directors, for submission to the General Shareholders' Meeting, the selection, appointment, re-election or replacement of accounts auditors, pursuant to applicable regulations, along with the conditions for their engagement, and regularly compiling information on the auditing plan and its execution, as well as ensuring their independence in the performance of their duties.
- (v) Establishing an appropriate relationship with the accounts auditors in order to receive information on any matters that could endanger their independence, so that such information may be examined by the Audit & Control Committee, along with any other matter relating to the accounts auditing process and, where applicable, authorising services other than those that are prohibited, in the terms set out in applicable regulations in Article 5, section 4, and Article 6.2.b) of Regulation (EU) No. 537/2014, of 16 April, and in the provision of the 3<sup>rd</sup> section, chapter IV, title I of Spanish Auditing Act 22/2015, of 20 July, on the independence regime directly or indirectly affecting auditing firms, along with any other communications provided for in the auditing regulations and other provisions governing accounts audits. In any case, the Audit & Control Committee must receive an annual written declaration from the auditor confirming its direct and indirect independence from the Company and its related organisations, together with detailed and personalised information on any additional services whatsoever provided and the relevant fees received from these organisations by the auditor, or by related persons or organisations, in accordance with the provisions contained in auditing legislation.
- (vi) Issuing an annual report, prior to the external auditor's report, expressing an opinion as to whether the independence of external auditors or auditing firms has been compromised. This report must contain information, in all cases, on the provision of any additional services referred to in the preceding paragraph, both individually and jointly, aside from the legal audit itself, regarding the rules governing independence and auditing regulations.
- (vii) Providing prior information to the Board of Directors regarding all the matters required by the Act, the Company's By-laws and the Board of Directors Regulations, with regard to: (a) the financial information that the Company is required to publish periodically; (b) the creation or acquisition of shares in special purpose vehicles or organisations domiciled in countries or territories classified as tax havens; and operations with related parties.
- (viii) Overseeing the Company's internal auditing activities.
- (ix) With regard to internal reporting and monitoring systems: (a) monitoring the preparation and integrity of financial information relating to the Company and, where appropriate, the group, checking for compliance with legal provisions, a properly defined consolidation perimeter, and adequate application of accounting principles. (b) monitoring the independence of the internal auditing unit; proposing the selection, appointment, re-election and removal of the head of the internal auditing service; proposing a service budget; approving its guidelines and working programmes, receiving regular information on its activities, and ensuring that the senior management considers the findings and recommendations of its reports; and (c) establishing and overseeing a mechanism whereby staff can confidentially or anonymously report any potentially significant irregularities detected within the Company, particularly financial or accounting irregularities.
- (x) With regard to the external auditor: (a) in the event of resignation by the external auditor, examining the circumstances that gave rise to its decision; (b) ensuring that payment does not compromise its quality or independence; (c) ensuring that the Company notifies any change of external auditor to the CNMV as a significant event, accompanied, where applicable, by a statement regarding any potential disagreements with the outgoing auditor and the relevant reasons; (d) ensuring that the external auditor has an annual meeting with the plenary session of the Board of Directors to report on the work undertaken and any developments in the Company's situation; (e) ensuring that the Company and the external auditor adhere to current regulations on the provision of non-auditing services, limits on auditor business concentration and other requirements concerning auditor independence.



- (xi) Monitoring compliance with the Company's internal codes of conduct and corporate governance rules, and any information relating to compliance with the foregoing.
- (xii) Monitoring compliance with the Corporate Social Responsibility Policy and evaluating relations with various stakeholder groups.
- (xiii) Meeting with any Company employee or manager, and even summoning them without the presence of another senior officer.
- (xiv) Any other duties entrusted by the Board of Directors in the relevant Regulations.

Furthermore, the Audit & Control Committee will be entrusted with all those duties specifically assigned in the Internal Regulations of the Audit & Control Committee, eventually approved by the Board of Directors.

The Audit & Control Committee will convene at least once a quarter, in order to review any financial information reported to the stock exchange authorities, as well as any information that the Board of Directors needs to approve and include in its annual public documentation. Furthermore, it will convene if requested by any of its members, and each time it is called by the Chairman, who will do so provided that the Board or its Chairman requests a report or the adoption of proposals and, in any case, if this is appropriate for adequate performance of its duties.

The Audit & Control Committee will validly convene if the majority of its members attend, in person or by proxy, and its resolutions will be adopted by an absolute majority of those in attendance. In the event of a draw, the Chairman of the Audit & Control Committee will not hold a deciding vote.

The Committee Secretary will draft minutes of all meetings, to be approved and signed by all the Committee members. The minutes may be forwarded and signed by electronic means, using DocuSign or similar devices, as evidence of authentic signing. The Committee Secretary will send a copy of the minutes of each meeting to all the Board members and to the Board Secretary. Minutes will be deemed as delivered if posted on the Company Director portal, which all Directors may access.

The Audit & Control Committee will issue an annual report on its operation, pointing out the main incidents arising during the year (if any) in relation to its duties. Furthermore, if deemed appropriate by the Audit & Control Committee, such report will include proposals to improve the Company's governance rules.

To ensure adequate performance of its duties, the Audit & Control Committee may procure advice from external experts, if deemed necessary for this purpose.

The main activities carried out by the CAC during the financial year are described in the Activity Report of the Audit & Control Committee for 2022/23, for the 12-month period ending 31 March 2023, and are indicated below.

As regarding the Company's financial reporting and reports submitted to the Board of Directors:

- Supervision of individual and consolidated annual accounts and the management report for the financial year ended 31 March 2023, as well as the allocation of results, for subsequent formulation by the Board of Directors.
- Supervision of periodic financial reporting.
- Reviewed compliance with the Fiscal Policy.
- Review of the General Expenditure Budget.
- Review of the Business Plan.
- Issue of the Activity Report of the Audit & Control Committee for the 2021/2022 financial year.
- Review of the Annual Corporate Governance Report for the 2021/2022 financial year.
- Issue of the 2021/2022 Committee Report on Related Transactions.
- Issue of the 2021/2022 Committee Report on Auditor Independence.
- Authorisation for the auditors to provide certain non-auditing services to the Company.

With respect to the **Internal Audit** function:

- Approval of the 2021/2022 Internal Audit activity report.
- Approval of the 2023-2025 Internal Audit strategic plan.
- Approval of the 2023/2024 Annual Internal Audit Plan.
- Supervision of the activities carried out by Internal Audit during the financial year ended 31 March 2023.
- Presentation to the Board of Directors of the main conclusions reached in internal audits conducted during the financial year, in relation to the AEDAS Homes Group, to include the annual internal auditing report on the SCIIF model, internal audit of the model for the prevention of money

laundrying and the financing of terrorism, internal audit of the model for data protection and to guarantee digital rights, and the internal audit on ESG, presented at year-end.

Regarding the Risk & Compliance function:

- Approval of the Risk activity report for the 2021/2022 financial year.
- Approval of the Risk activity plan for the 2022/2023 financial year.
- Approval of the Compliance activity report for the 2021/2022 financial year.
- Approval of the Compliance activity plan for the 2021/2022 financial year.
- Presentation to the Board of Directors of the outcome of various reviews conducted by Risk & Compliance during the period, including a review of the corporate risk map and monitoring of risk indicators, as well as an external expert review in matters related to the prevention of money laundrying and the financing of terrorism, and controls completed in crime prevention and data protection matters.
- Approval of the Competition Policy.

The Audit & Control Committee has issued positive reports on the execution of certain transactions related to some AEDAS Homes investee companies, or natural persons.

The Audit & Control Committee, further to its SCIIF supervision duties, carried out the following activities between 1 April 2022 and 31 March 2023:

- To supervise effective internal control by the Company and its Group, internal auditing and risk management systems, as well as consulting with the auditor about the status of the financial reporting internal control system (SCIIF).
- To supervise the drafting and presentation of regulated financial reports and to submit recommendations or proposals to the Board of Directors seeking to safeguard integrity.
- To supervise the device in place for employees to confidentially or anonymously report any potentially relevant irregularities, particularly of a financial and accounting nature, which could arise within the Company.
- To previously inform the Board of Directors of all the matters foreseen in the Act, the Company By-laws and the Board Regulations, to particularly include the financial reports that the Company must periodically publish and its related party transactions.
- To ensure compliance with all of the Company's codes of conduct, corporate governance rules and corporate social responsibility policy.
- To supervise any internal auditing steps, to include a review of the financial reporting internal control system (SCIIF), gathered as one of the Internal Audit lines of action in the Annual Internal Audit Plan, approved by the CAC.
- To supervise steps taken by the Risk & Compliance Function in relation to the Company's main risks and contingencies, to include systems established for identification, management and control, further to the 2022/2023 Risk Plan and 2022/2023 Compliance Plan, passed by the Committee.
- To request that the auditor appear before the Committee and Board of Directors to report on its work and the Company's accounting performance and risks.
- To supervise the 2022/2023 Annual Corporate Governance Report before being submitted to the Board of Directors.
- To inform the General Shareholders' Meeting about matters within its remit, to particularly include the outcome of the 2022-2023 audit, explaining how it has contributed to financial reporting integrity and the function carried out by the Committee itself in the process during 2022-2023.

Finally, of interest is that the Audit & Control Committee's activity has been formalised in the Minutes, which were signed by the Chairman and Secretary. Such minutes are held at the General Secretary's Office of the Company Board, for safekeeping, and gather the content of each meeting.

Name any board members appointed to sit on the Audit & Control Committee, bearing in mind their knowledge and experience of accounting matters, auditing, or both and state how many years the Chairman of this Committee has been in office.

<b>Name of experienced board members</b>	Mr. SANTIAGO FERNÁNDEZ VALBUENA Mr. JAVIER LAPASTORA TURPÍN
<b>Date of appointment of chairman office</b>	29/11/2022

<b>Remarks</b>
In compliance with the provisions established in Art. 529 <i>quaterdecies</i> of the Capital Companies Act, on 29 November 2022 the Board of Directors appointed Mr. Javier Lapastora Turpín as Chairman of the Audit & Control Committee, due to one month elapsing since his office expired, on 19 October 2021, as former Committee Chairman; a 4-year term had also elapsed since he was first appointed on 27 September 2017.
Between 19 October 2021 and 29 November 2022, Mr. Santiago Fernández Valbuena held office as Chairman of the Audit & Control Committee.

### **APPOINTMENTS & REMUNERATION COMMITTEE**

The Appointments & Remuneration Committee (ARC; -CNR-) of AEDAS Homes was appointed by the Board of Directors at a meeting held on 27 September 2017. On 23 June 2020, the Ordinary General Shareholders' Meeting of AEDAS Homes re-elected all the Directors belonging to the CNR for the 3-year term foreseen in the By-laws. Its composition, general delegated powers and regulations are set out below.

<b>Name</b>	<b>Title</b>	<b>Category</b>
Mr. MIGUEL BELTRÁN TEMBOURY REDONDO	Chairman	Independent
Ms. MILAGROS MÉNDEZ UREÑA (since 12/07/2022)	Member	Independent
Ms. CRISTINA ÁLVAREZ ÁLVAREZ (between 12/07/2022 and 27/09/2017)	Member	Independent
Mr. EVAN ANDREW CARRUTHERS	Member	Proprietary

<b>% of proprietary directors</b>	33.33%
<b>% of independent directors</b>	66.67%
<b>% other external members</b>	0.00%

<b>Remarks</b>
The Board of Directors, at its meeting held on 12 July 2022, unanimously appointed Ms. Milagros Méndez Ureña as a new CNR member, following a favourable report submitted by the CNR Chairman on her appointment. Ms. Milagros Méndez Ureña, an independent director, replaced Ms. Cristina Álvarez Álvarez from that date onward, an independent director belonging to the CNR since 27 September 2017, who chaired the Technology, Innovation & Cybersecurity Committee since it was incorporated.
With this new appointment, the provisions of Article 15.1 of the Board Regulations of 25 May 2022 are still being fulfilled, requiring that the CNR have at least two independent directors.

Explain the duties attributed to this Committee including, where applicable, those additional to the ones set out by law, and describe the organization and performance procedures and rules thereof. For each of those duties, state their most important actions during the fiscal year and how they have executed in practice the duties attributed by law or in the By-laws or any other corporate agreement.

The Appointments & Remuneration Committee (CNR) is regulated by Article 15 of the Board Regulations of 25 May 2022 and by its own CNR Regulations, establishing its composition, competencies and operation. The CNR Regulations were reviewed, updated and approved by the Board of Directors on 25 July 2019.
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The Board of Directors will incorporate a permanent Appointments & Remuneration Committee, an internal body for information and consultation purposes, with no executive duties, entrusted with reporting, providing advice and proposals within its scope of action described therein. The Appointments & Remuneration Committee will consist of at least three and a maximum of five directors, designated by the Board of Directors itself, on proposal from the Board Chairman, all of whom must be non-executive directors. At least two members of the Appointments & Remuneration Committee will be independent.

The Board of Directors will also designate a Chairman from amongst the independent directors belonging to the Committee. Furthermore, the Board of Directors may designate a Vice-Chairman if deemed appropriate; an appointment of a Vice-Chairman will be subject to the provisions applicable to the Chairman's appointment.

Office as Secretary of the Appointments & Remuneration Committee will be entrusted to someone designated by the Board of Directors, who need not belong to the Appointments & Remuneration Committee, in which case Board membership will not be necessary. Secretary office in the Appointments & Remuneration Committee may be vested upon the Board Secretary or someone else.

Members of the Board of Directors who sit on the Appointments & Remuneration Committee shall continue in office for the term of their appointment as directors of the Company, unless otherwise agreed by the Board of Directors. The renewal, re-election and dismissal of the Committee's members shall be governed by the decisions of the Board of Directors.

Notwithstanding any other tasks that may be assigned to it by the Board of Directors, the Appointments & Remuneration Committee shall be responsible for the following basic duties with total independence:

- (i) Assessing the skills, knowledge and experience required in the Board of Directors. To this end, it shall define the skills and duties required from candidates in order to fill each vacancy, as well as evaluating the time and dedication required for them to be able to effectively perform their duties.
- (ii) Establishing a target for representation on the Board of Directors of the under-represented gender and preparing guidelines on how to meet this target.
- (iii) Submitting proposals to the Board of Directors regarding the potential appointment of independent directors, either for appointment by co-optation or for submission for deliberation by the General Shareholders' Meeting, along with proposals for the re-election or removal of such directors by the General Shareholders' Meeting.
- (iv) Providing information regarding proposals for the appointment of remaining directors, either for appointment by co-optation or for submission for deliberation by the General Shareholders' Meeting, along with proposals for the re-election or removal of such directors by the General Shareholders' Meeting.
- (v) Providing information on proposals for the appointment and removal of management personnel and the basic terms of their engagement.
- (vi) Examining and organising the process for successors of the Chairman of the Board of Directors and the Company's chief executive and, where applicable, making proposals to the Board of Directors to ensure that succession occurs in a planned and orderly way.
- (vii) Submitting proposals to the Board of Directors regarding payment policy for directors and the general management and for persons entrusted with senior management duties who report directly to the Board of Directors, Executive Committees or CEOs, and regarding the individual payment and other contractual conditions for executive directors, confirming and monitoring the compliance thereof.
- (viii) Monitoring compliance with the Company's payment policy.
- (ix) Periodically reviewing the payment policy for directors and senior officers, including share-based payment systems and their application, and ensuring that their individual payment is proportionate to the amounts paid to other directors and senior officers.
- (x) Ensuring that conflicts of interest do not undermine the independence of any external advice provided to the Committee.
- (xi) Verifying the information on director and senior officer pay contained in various corporate documents, including an annual directors' payment statement.

Furthermore, the Appointments & Remuneration Committee will be entrusted with any duties that may be added in the future under the Committee's internal regulations that may be approved by the Board of Directors.

The Appointments & Remuneration Committee will meet every three months, ordinarily, or at least four times a year. Moreover, it will meet at the request of any of its members and whenever called by its Chairman, which will occur whenever the Board or its Chairman requests the issue of a report or the adoption of proposals and, in any event, whenever this is advisable for the proper performance of its functions.

The Appointments & Remuneration Committee will validly convene if the majority of its members attend, in person or by proxy, and its resolutions will be adopted by an absolute majority of those in attendance.

The Committee Secretary will draft minutes of all meetings, to be approved and signed by all the Committee members. The minutes may be forwarded and signed by electronic means, using DocuSign or similar devices, as evidence of authentic signing. The Committee Secretary will send a copy of the minutes of each meeting to all the Board members and to the Board Secretary. Minutes will be deemed as delivered if posted on the Company Director portal, which all Directors may access.

The Committee will consult the Chairman and the Company's senior executive, particularly in matters related to Executive Directors and management staff.

To ensure the performance of its duties, the Appointments & Remuneration Committee may be advised by external experts if deemed necessary for this purpose, ensuring that there are no possible conflicts of interest that could endanger the unbiased external advice provided to the Appointments & Remuneration Committee.

The Appointments & Remuneration Committee will draw up its own regulations on its composition, competencies and operation, which must be approved by the Board of Directors.

The following main activities were carried out by the CNR in the financial year, described in the 2022/23 Activity Report of the Appointments & Remuneration Committee, for the 12-month period ended 31 March 2023:

- Taking of cognizance of the Annual Corporate Governance Report ("IAGC") for the 2021-22 financial year, in matters related to the CNR's competence;
- Taking of cognizance of the Annual Directors' Remuneration Report ("IARC") for the 2021-22 financial year, in matters related to the CNR's competence;
- Approval of the CNR Activity Report for the 2021-22 financial year.
- Approval of the CNR Action Plan for the 2022-23 financial year.
- Reported proposed to the Board in relation to Ms. Milagros Méndez Ureña's re-election as Independent Director, for a by-law three-year term.
- Proposal for a new Directors' Remuneration Policy.
- Proposed new remuneration for non-executive Directors.
- Evaluation of the CEO's achievement of its targets for variable remuneration purposes (2021-22).
- Evaluation of achieved targets under the Long-Term Incentive Plan (LTIP) regarding cycle 2 of the first LTIP.
- Report submitted by the CNR Chairman to the General Shareholders' Meeting.
- Proposed review of the CEO's targets (metrics) for the 2022-23 financial year, regarding his annual variable remuneration, for approval by the Board.
- Report for the Board on cycle 3 of the first LTIP.
- Report to the Board on an additional LTIP for redistribution of certain shares to specific Beneficiaries.
- Report to the Board on:
  - a. the basic terms of the new CLO contract (due to being part of the executive staff)
  - b. possible appointment of the new CLO as Vice-Secretary of the Board
  - c. possible appointment of the new CLO as Secretary of the CAC.
- CNR report to the Board regarding reviewed remuneration paid to two executives.
- Monitored compliance with the Company's Remuneration Policy.
- Supervision of LTIP performance.
- Self-evaluation of the Board and its Committees: launching of a self-evaluation process for the Board and the CNR itself, and assistance in CAC and CTIC self-evaluation. Following the self-evaluation, proposal to the Board of a series of measures/action plan for continuous improvement in Board and Committee performance.
- Report to the Board on Mr. Javier Lapastora Turpín's possible appointment as Chairman of the Audit & Control Committee (CAC).
- Second Long-Term Incentive Plan (LTIP2) – metrics for cycle 2.
- Second Long-Term Incentive Plan (LTIP2), cycle two – allocation of additional shares ("rollover").
- Executive pension plan.
- Follow-up on the independent position expected of the Chairman of the Company Board.

- Re-election of Directors.
- Report on two summonses received by the Company from the CNMV, on apparently inconsistent figures contained in IAGC 2021-22 and IARC 2021-22, as well as certain inaccuracies in the information reported in some sections of the IARC 2021-22.

The CNR backed up the Board throughout the year and, in particular, arranged and directed a self-evaluation of the Board (and CNR), backing up the CAC and CTIC's self-evaluation process. In relation to the Board, the CNR proposed a series of steps, as a plan, for continuous improvement in performance of the Board's tasks.

### **TECHNOLOGY, INNOVATION, & CYBERSECURITY COMMITTEE**

The Technology, Innovation & Cybersecurity Committee (CTIC) held its first meeting on 14 November 2017. On 23 June 2020, the Ordinary General Shareholders' Meeting of AEDAS Homes re-elected all the Directors belonging to the CTIC for the 3-year term foreseen in the By-laws. Its composition, general delegated powers and regulations are set out below.

<b>Name</b>	<b>Title</b>	<b>Category</b>
Ms. CRISTINA ÁLVAREZ ÁLVAREZ	Chairwoman	Independent
Mr. DAVID MARTÍNEZ MONTERO	Member	Executive
Mr. EDUARDO EDMUNDO D'ÁLESSANDRO CISHEK	Member	Proprietary
Mr. JAVIER SÁNCHEZ GUTIÉRREZ	Member	Non-Director

<b>% of executive directors</b>	33.33%
<b>% of proprietary directors</b>	33.33%
<b>% of independent directors</b>	33.33%

<b>Remarks</b>
Mr. Javier Sánchez Gutiérrez is the Chief Technology and Communications Officer (CTCO). Although he is NOT a Company Board Member, he takes part in this Technology, Innovation & Cybersecurity Committee as a specialist expert in these fields.

**Explain the duties attributed to this Committee and describe the organization and performance procedures and rules thereof. For each of those duties, state their most important actions during the fiscal year and how they have executed in practice the duties attributed by law or in the By-laws or any other corporate agreement.**

The Board of Directors established a permanent Technology Committee in November 2017, an internal body for information and consultation purposes, with no executive duties, entrusted with duties regarding information, advice and proposals within its scope of action indicated in its Regulations. This Committee was renamed the Technology, Innovation & Cybersecurity Committee (CTIC) starting in February 2020, adapting its title to the fields of activity carried out.

The CTIC will consist of at least three and a maximum of eight members, of whom at least two must be directors, appointed by the Board of Directors itself on proposal from the Board Chairman. At least one member of the Technology Committee must be an independent director.

Even though they are not Directors, the Managers in the business lines that the Board of Directors considers relevant at the time for this Committee shall also belong thereto, such as the Company's Head of Technology and Communications, etc.

The CTIC is responsible for the following duties:

- To review and issue recommendations to the Head of Technology & Communications, Data Manager, CEO and, where appropriate, the Board of Directors, in relation to the Strategic Digitalization Plan, in order for it to respond to the needs of the Company and its clients, also providing a competitive advantage.
- To supervise execution of the Strategic Digitalization Plan, reporting on its progress to the CEO and the Board of Directors, proposing the necessary changes and adaptation of said Plan in order to meet the needs of the Company and its clients, helping it achieve its objectives.
- Advise the Head of Technology & Communications with respect to the selection of collaborators, design of tools, data, application of technologies, corrective and preventive measures, etc. ensuring that the Company incorporates technological tools and patterns allowing it to best support the performance of its tasks, as well as to maintain a competitive and sustainable advantage.



With respect to its operation:

The CTIC shall ordinarily meet every three months or at least four times a year. It shall also meet when requested to do so by any of its members and whenever it is convened by its Chairwoman, who shall call a meeting whenever the Board or its Chairwoman requests the issue of a report or the adoption of proposals. In any case, the Committee shall meet each time it is deemed convenient for the smooth performance of its duties.

The Chairwoman of the Committee shall determine the agenda of each meeting.

The CTIC shall be validly constituted when the majority of its members are either present or represented by proxy. All resolutions will be adopted by the Committee with an absolute majority of those present.

The Secretary of the Committee shall record Minutes of each Committee meeting, a copy of which shall be sent to each and every member.

For the best fulfilment of its duties, the CTIC shall receive the advice of external experts when it is deemed necessary, ensuring that potential conflicts of interest do not harm the independence of any external advice provided to this Committee.

The main activities carried out by the CTIC in the financial year are described in the Activity Report of the Technology, Innovation & Cybersecurity Committee for 2022/23, for the 12-month period ending 31 March 2023, as indicated below:

- Approval of the 2023/24 CTIC Activity Plan.
- Execution of the FY2021-23 Digital Strategy Plan and main KPIs.
- Presentation of an Applications Map.
- Quarterly sprint activity and main KPIs.
- Execution of the Cybersecurity Plan and main KPIs.
- Supervision of Live Virtual Tours and marketing initiatives.
- Presentation of innovation pilots.
- Technology contributed to the business in terms of hours gained, FTEs and lower equivalent costs.
- Licence OPEX reduction plan.
- Technology budget for the 2023/24 financial year.

**C.2.2 Complete the following table with information on the number of female Board members sitting on the Board’s committees at closing of the last four financial years:**

	Number of female board members							
	Financial year 2022-23		Financial year 2021-22		Financial year 2020-21		Financial year 2020	
	%	Nº.	%	Nº.	%	Nº.	%	Nº
<b>Audit &amp; Control Committee</b>	-	-	-	-	-	-	-	-
<b>Appointments &amp; Remuneration Committee</b>	33.33%	1	33.33%	1	33.33%	1	33.33%	1
<b>Technology, Innovation &amp; Cybersecurity Committee</b>	33.33%	1	20.00%	1	33.33%	1	20.00%	1
<b>Remarks</b>								
-								

**C.2.3 Indicate, where appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any changes have been made during the year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.**

The Board Regulations, approved and updated on 25 May 2022, regulate two of the three Board committees, related to the Audit & Control Committee and the Appointments & Remuneration Committee. The latter, in turn, is regulated by the CNR Regulations as regards its composition, competencies and operation, approved on 25 July 2019. For these changes, please refer to section C.1.15.

Committee regulations are available and accessible on the Company’s website, [www.aedashomes.com](http://www.aedashomes.com), under Shareholders & Investors, Corporate Governance sub-section, “Board of Directors”.

Such committees- the Audit & Control Committee, Appointments & Remuneration Committee and Technology Committee- draw up an Activity Report each year.

**D RELATED PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS**

**D.1 Explain, where applicable, the procedures and relevant bodies for approving related party or intragroup transactions, indicating any criteria and general internal rules of the company governing the obligation to recuse oneself, applicable to affected board members or shareholders, and describing any internal reporting and periodic control procedures established by the company for related operations subject to delegated approval by the board of directors.**

The procedures, criteria and competent bodies to determine and approve transactions with related parties and intragroup operations, followed by the Company, are the ones established to that end in the current Spanish Capital Companies Act and other complementary regulations that may apply. In particular, Articles 231 LSC (“Persons related to directors”), 231.bis) (“Intragroup transactions”), as well as Chapter VII Bis (“Related transactions”). For the moment, the Board of Directors has not delegated any approval of related transactions.

As regards AEDAS Homes’s internal rules, regulating the recusal of affected board members or shareholders, please note that, pursuant to Article 28.3 of the Board of Directors Regulations, a board member must notify any direct or indirect conflicts of interest to the Board of Directors and refuse to participate as the Company’s representative in the transaction to which the conflict refers, subject to any exceptions foreseen in applicable law. Furthermore, if required by law, the Company will report any conflict of interest involving its board members (or persons related thereto) during the financial year in question, of which it becomes aware by virtue of the affected party’s notice or otherwise. Any conflicts of interest involving board members will be included in the report issued on the Company’s annual accounts.

Furthermore, the Company has a Conflicts of Interest Policy that it uses to identify, communicate and handle any potential conflicts of interest.

**D.2 Itemize any transactions deemed significant due to their value, or relevant due to their subject matter, carried out between the company or its dependent entities and any shareholders owning more than 10% of its voting rights, or which are represented on the company’s board of directors, indicating which competent body has approved them and whether any affected shareholder or board member recused himself. If the Meeting was competent, indicate whether the proposed resolution was approved by the Board with no vote against from the majority independent directors:**

Personal or company name of the shareholder or of any of its dependent companies	% stake	Personal or company name of dependent company or entity	Nature of the relationship	Type of transaction and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or board member who recused himself	The proposal presented to the Meeting (if any) was approved by the board without the vote against from the majority independent board members
-	-	-	-		-	-	-	-

Remarks
-

**D.3 Itemize any transactions deemed significant due to their value, or relevant due to their subject matter, carried out between the company or its dependent entities and any board members or executives of the company, including any transactions carried out with entities where the board member or executive exerts (joint) control, indicating which competent body has approved them and whether any affected shareholder or board member recused itself. If the Meeting was competent, indicate whether the proposed resolution was approved by the Board with no vote against from the majority independent directors:**

Personal or company name of board members or executives, or of their controlled entities or under joint control	Personal or company name of dependent company or entity	Link	Nature of the transaction and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identification of the shareholder or board member recusing itself	The proposal presented to the Meeting (if any) has been approved by the board without the vote against of the majority independent board members

Remarks
-

**D.4 Itemize any significant intragroup transactions due to their value, or relevant due to their subject matter, between the Company and its controlling company or other entities in the same group as the controlling company, including dependent entities of the listed company, unless any related party of the listed company has an interest in such dependent entities or these are fully owned, directly or indirectly, by the listed company.**

**In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens:**

Name of the group company	Brief description of the operation and other information required for its evaluation	Amount (thousands of euros)
-	-	-

Remarks
-

**D.5 Itemize any significant transactions due to their value, or relevant due to their subject matter, between the Company or its dependent entities and other related parties, holding such status further to EU International Accounting Standards, not communicated in the previous sections.**

Corporate name of the related party	Brief description of the operation and other information required for its evaluation	Amount (thousands of euros)
-	-	-

Remarks
Section 20 of AEDAS Homes's 2022/23 Consolidated Annual Accounts, for the financial year ended 31 March 2023, itemizes all related transactions carried out by the AEDAS Homes Group. They have not been included in this 2022/23 Corporate Governance Report given that the transactions are quantitatively negligible or materially irrelevant.

**D.6 Provide details of any mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its group and its board members, executives, significant shareholders or other related parties.**

Pursuant to the Conflicts of Interest Policy established by AEDAS Homes, everyone bound by this Policy (directors, executives, employees and related parties) must adopt the measures required to ensure compliance with the criteria for action and decision-making set out in the Policy in order to avoid situations that may result in a conflict between their own personal interests and the corporate interest.

In this regard, all affected parties, particularly members of the Board of Directors, must refrain from the following:

- a) Entering into transactions with the Company, unless these relate to ordinary operations, made in standard client terms and of little importance (i.e. operations that do not have a significant impact on the Company's equity, financial position or results). In this regard, the affected parties may acquire housing developed by AEDAS Homes provided that it is acquired for their own residential use. All other requests (apart from purchases of a main home) shall require approval from the Compliance Committee, and when such requests are made by members of the Management Committee, approval from the Audit & Control Committee shall be necessary.
- b) Using the name of the Company or referring to their condition as director, executive or employee to unduly influence private business.
- c) Making use of the company's assets, including confidential information, for private purposes.
- d) Taking advantage of the Company's business opportunities, whether current or under consideration.
- e) Obtaining benefits or payments from third parties other than the Company in relation to the performance of their duties, unless these are offered as a mere courtesy.
- f) Engaging in activities, either personally or on behalf of others, that effectively compete, either immediately or potentially, with the Company's activities, or which otherwise place them in permanent conflict with the corporate interest.
- g) Awarding any kind of agreement or order relating to AEDAS Homes to suppliers who have some kind of relationship with people who have a first or second degree of kinship with Company employees.

The foregoing provisions also apply in cases where the beneficiary of the prohibited act or activity is a person related to the affected person. AEDAS Homes, and specifically its Board of Directors, may analyse and dispense with such prohibitions in specific cases, considering in any case the principles contained in this Policy, and safeguarding the interests of AEDAS Homes.

- Communication

The affected party must immediately give notice of any situation or circumstance that could give rise to a potential conflict of interest, indicating its scope, the situation that has given rise to the potential conflict and any related parties, where applicable. If there are doubts about whether or not this involves a conflict of interest, the affected party must refrain from continuing to engage in any activity relating to the situation in question and seek advice.

In the case of employees, they must give notice of the situation to their direct superior, who will analyse and resolve the situation together with the Compliance Management. Where necessary, the Compliance Committee shall be asked to make a decision. In the case of members of the Board of Directors, they must give notice of the situation to the Secretary to the Board of Directors, preferably in writing, and the Secretary shall pass on any communications received to the Board of Directors, which shall decide on the situation and, where necessary, seek an opinion from the Audit & Control Committee.

In addition, AEDAS offers all affected parties a Whistleblowing Channel. This represents an additional channel to report any breach or infringement of the Code of Conduct, which includes the principle of objectivity and an obligation to prevent conflicts of interest.

Conflicts of interest that affect the Company's directors shall be reported in the notes to the Company's annual accounts and in the Annual Report on Good Corporate Governance, which shall give details of all related party transactions between the Company and its shareholders and directors.

- Management of conflicts of interest

AEDAS Homes, through the Board of Directors or its employees' hierarchical superiors, as applicable in accordance with this Policy, has adopted a series of measures that are designed to ensure the correct management of conflicts of interest, thus ensuring the objectivity and transparency of the process. To this end, once the existence of a conflict of interest has come to light:

- a) We take all the measures necessary to distance the affected party from the management of the transaction or situation in question.
  - b) We ensure independence in the decision-making process, in such a way that the affected party must take part in this process, and measures are employed to implement appropriate controls in order to ensure impartiality.
  - c) Where required, the Board of Directors will take a decision on the potential conflict of interest, recording its decision and taking any appropriate measures.
- Related party transactions

In line with the general principles set out above and applicable law in force, affected parties must avoid any situation from which a conflict of interest might arise in relation to their participation in related party transactions, and they must comply with all previously established rules.

The Company's Board of Directors is the body responsible for approving any related party transactions, following a positive opinion from the Audit & Control Committee. In addition, the Board of Directors may analyse and dispense with such prohibitions in specific cases, always taking account of the principles contained in this Policy and in current applicable law.

As an example, at its meeting of 14 February 2023, the Board of Directors approved a prior favourable report issued by the Audit & Control Committee (CAC) on two transactions with related entities enabling certain Company Group members to acquire several plots of land in two areas: Los Berrocales (Madrid) and Sánchez Blanca (Málaga).

**D.7 Indicate whether the company is controlled by another entity, in the terms of Article 42 of the Spanish Commercial Code, whether or not listed, and whether it holds, directly or through its subsidiaries, business relations with such entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those executed by any of the foregoing.**

Yes  No

Remarks
Pursuant to Article 42 of the Commercial Code, the company HIPOTECA 43 LUX, S.A.R.L. holds a 71.52% stake in AEDAS Homes.

**Indicate whether specific public information has been provided on their respective areas of activity and possible business relations between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries:**

Yes  No

**Describe their respective areas of activity and possible business relations, between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries, indicating where public information has been provided on the foregoing.**

Section 20 of AEDAS Homes's 2022/23 Consolidated Annual Accounts, for the financial year ended 31 March 2023, itemizes all related transactions carried out by the AEDAS Homes Group. They have not been included in this 2022/23 Corporate Governance Report given that the transactions are quantitatively negligible or materially irrelevant.

**Indicate the mechanisms in place to resolve potential conflicts of interest between the other controlling company of the listed company and other group companies:**

Mechanisms to resolve any potential conflicts of interest
See section D.6 above, explaining the mechanisms in place in AEDAS Homes to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders.

**E RISK MANAGEMENT AND CONTROL SYSTEMS**

**E.1 Explain the scope of the Company's Control and Management System for financial and non-financial risks, including measures relating to tax risk.**

AEDAS Homes uses a risk management system that is regulated under the Company's Risk Management Policy. This Policy was approved by the Board of Directors on 17 October 2017.

The purpose of the risk management model is to create a corporate risk model used to identify, manage and report any risk factors that may affect the achievement by AEDAS Homes of its strategic, business and financial objectives.

The risk management model comprises the following cornerstones:

- Identification: the senior management of the Company identifies any relevant risks for AEDAS Homes. This risk identification is carried out each year in order to locate any possible new risks that could hinder the achievement of the Company's strategic, business or financial objectives, not considered in the risk management model.

- Evaluation: inherent probability, inherent impact and the strength of control surroundings are evaluated for all significant risks. The AEDAS Homes risk management model includes three risk categories: “critical”, “to be monitored” and “to be maintained”.
- Management: risks classified as “critical” and “to be monitored” are included as part of the risk management mechanism, which means:
  - Identifying specific risk events
  - Establishing follow-up indicators for each risk event and associated tolerance values
  - Establishing action plans for any indicators above the tolerance threshold established by the Company.
- Updating: the model is subject to an annual review and update.

**E.2 Identify the bodies responsible for preparing and implementing the Management System for financial and non-financial risks, including measures relating to tax risk.**

The following AEDAS Homes S.A. bodies are involved in activities related to the risk management model, with the duties indicated below:

- Board of Directors  
Defines, updates and approves the Risk Management and Control Policy in AEDAS Homes and sets the acceptable risk level at all times.
- Audit & Control Committee  
Oversees internal monitoring and management of risk, ensuring that the main risks are identified, managed and maintained at the planned levels.
- Management Committee  
Assigns responsibility for the risks, receives the results of risk assessments to determine how critical the risk level is, and approves actions or responses to the risk defined.
- Risk & Compliance Management  
The Risk & Compliance Management provides support to the Audit & Control Committee and the Management Committee in the performance of their duties, particularly by coordinating the activities set out in the Risk Management and Control Policy, ensuring correct implementation of the risk management system and consolidating reports relating to the risk model.
- Managers and other parties responsible for risks  
Identify and evaluate the risks that fall within their area of responsibility. In addition, they propose and report on the indicators used to monitor risk, in addition to proposing and implementing plans of action to mitigate risk and reporting on the effectiveness of such plans.

**E.3 Indicate the main financial and non-financial risks, including tax risk and, to the extent they may be significant, those arising from corruption (these latter understood as within the scope of Royal Decree Law 18/2017), which may prevent the company from achieving its business targets.**

The Company’s risk management model contemplates the following risk categories:

- Strategic risks
  - Fall in demand for newly constructed housing
  - Portfolio of land
  - Client satisfaction
  - Availability of financing for AEDAS Homes
  - Reputation
  - Stock performance
  - Political risk
  - Sector consolidation risk
  - Potential failure to meet ESG expectations
- Operational risks
  - Acquisition of land
  - Transformation of land



- Project execution (former "Development")
- Marketing
- Securing and retaining talent
- Technology
- Cybersecurity
- Occupational safety
- Asset security
- Financial risks
  - Interest rates
  - Liquidity
  - Client eligibility for loans (former "Credit Risk")
  - Asset valuation
  - Reliability of financial information
- Compliance risks
  - Breach of the Money Laundering Prevention Act
  - Breach of criminal regulations (including risks related to a breach of anti-corruption regulations, identified and assessed in the crime prevention model that is currently being certified under UNE19601)
  - Breach of the Spanish Stock Market Act
  - Breach of tax regulations
  - Breach of environmental regulations

**E.4 Indicate whether the company has a risk tolerance level, including against tax risk.**

During the 2022/23 financial year, AEDAS Homes has continued with its monitoring and management of critical risks based on a risk evaluation completed by members of the Management Committee.

The following risks are considered critical:

- Stock performance
- Land Portfolio
- Project Execution
- Client Satisfaction
- Securing and Retaining Talent
- Occupational Safety
- Performance in the share price against an internal index
- Cybersecurity
- Available Loans
- Marketing

In turn, AEDAS Homes has adopted the following measures in order to monitor and manage the risk categories indicated above:

- Identification of adequate monitoring indicators, such as:
  - Client satisfaction ratios.
  - Sales rates vs. targets (quarterly and aggregate for the ongoing year).
  - Delays in works projects.
  - Works beginning before the necessary loans are granted.
  - Cybersecurity indicators (change of password, number of privileged users, strengthening of equipment, etc.).

- Surplus costs in works projects.
  - Performance in macroeconomic indicators.
  - Staff turnover.
  - Establishment of tolerance appraisals, reflecting the Company's risk appetite in relation to each risk category.
  - Regular monitoring of the risk indicator status.
  - Implantation and supervision of action plans, in order to mitigate any risks.
- Regular reporting on indicator status to the Audit & Control Committee.

**E.5 Identify any financial and non-financial risks, including tax risks, which have emerged during the year.**

With respect to risks that have materialized during the year, of interest is that significant price increases have been registered with respect to construction costs. Furthermore, due to the higher rates decreed by the European Central Bank, the Company's financing cost has increased during the year.

**E.6 Explain the plans for responding to and monitoring the main risks faced by the company, including tax risk, as well as the procedures followed by the company to ensure that the board of directors responds to any new challenges that may arise.**

AEDAS Homes has defined action plans designed to respond to the risks that have exceeded the level of tolerance during the financial year. These action plans have been agreed with global risk managers and have been presented to the Audit & Control Committee and to the Board of Directors. Moreover, the status of their implementation is reviewed periodically.

In addition, the Company has checked its corporate risk map in order to re-evaluate the status of those risks covered by its risk management model, identifying any new risks that could hinder achievement of the company's objectives. Such risk map was presented to the Audit & Control Committee and to the Board of Directors in order to provide them with details about the Company's risk situation, allowing them to express their opinion.

**F INTERNAL RISK MONITORING AND MANAGEMENT SYSTEMS RELATING TO THE FINANCIAL REPORTING PROCESS (SCIIF)**

**Describe the mechanisms that form part of the risk monitoring and management system relating to the company's financial reporting (SCIIF) process.**

**F.1 The company's control environment**

**Provide information on at least the following, describing their main characteristics:**

**F.1.1. The bodies and/or officers responsible for: (i) the existence and maintenance of an appropriate and effective SCIIF; (ii) its implementation; and (iii) its monitoring.**

The model of responsibilities of AEDAS Homes' Internal Control over Financial Reporting is deployed through the following bodies and functions that develop, maintain and monitor the financial reporting process:

BODIES		FUNCTIONS
Management Bodies	Board of Directors	<ul style="list-style-type: none"> <li>• Preparing financial information.</li> <li>• Ensuring correct functioning of the SCIIF.</li> </ul>
	Audit & Control Committee	<ul style="list-style-type: none"> <li>• Supervising financial information.</li> <li>• Supervising auditing activities.</li> <li>• Approving what to supervise and when, and how to evaluate SCIIF supervision</li> <li>• Supervising SCIIF effectiveness</li> </ul>
Finance Department	Finance Department	<ul style="list-style-type: none"> <li>• Designing, implementing and evaluating SCIIF and its overall monitoring.</li> <li>• Reporting on SCIIF operation to the Audit &amp; Control Committee.</li> </ul>
Departments and Divisions	Process managers	<ul style="list-style-type: none"> <li>• Identifying any risks in their processes that may affect Financial Information.</li> <li>• Proposing and implementing the most suitable controls to mitigate risk.</li> <li>• Ensuring that these controls are working effectively.</li> <li>• Reporting on the design and operation of internal controls in their processes.</li> <li>• Resolving incidents in their processes.</li> </ul>
	Control manager	<ul style="list-style-type: none"> <li>• Executing the controls for which he is responsible.</li> <li>• Reporting on any incidents that arise.</li> </ul>
Internal Audit Department	Internal Audit	<ul style="list-style-type: none"> <li>• Supervision of the SCIIF, delegated by the Audit &amp; Control Committee.</li> <li>• Report and communication of SCIIF auditing results to the Audit &amp; Control Committee and the Finance Department.</li> <li>• Following up recommendations and plans for improvement.</li> </ul>

**Board of Directors**

The Board of Directors of Aedas Homes, S.A. is ultimately responsible for monitoring the SCIIF, as set out in Article 5.4.viii) of the Board of Directors Regulations.

To this end, the Board of Directors has established the organisational structure necessary to allow monitoring by delegating this duty to the Audit & Control Committee. Thus, the Audit & Control Committee must ensure due compliance with the responsibilities defined and assigned to the Finance Department and other departments and divisions with regard to the Company’s Internal Financial Control Reporting System.

**Audit & Control Committee**

In order to achieve reasonable security with regard to the reliability of financial information, the Audit & Control Committee will oversee:

- The proper definition of the consolidation perimeter.
- The correct application of accounting principles.
- The suitability of any control policies and procedures implemented.
- The process for preparing and reporting financial information, reviewing the correct design, implementation and efficient operation of the SCIIF and compliance with regulatory requirements.

The Audit & Control Committee has various sources that it uses to ascertain whether the Management has implemented an effective system for supervising the SCIIF. The main sources for its analyses are:

- Asking questions and observing how the Management manages the Company.
- Engaging specialists or specialist resources.
- External auditors.

The Audit & Control Committee will principally rely on the work of the internal auditor and hold any necessary meetings with external auditors.

The duties entrusted to the Audit & Control Committee with regard to internal controls, set out in the AEDAS Homes Board of Directors Regulations, are as follows:

- Regularly reviewing the Company’s internal monitoring and risk management systems and, in particular, the correct design of the internal monitoring system and management of financial reporting (SCIIF), to ensure that the main risks are identified, managed and appropriately known.
- Approving the internal audit plan for evaluation of the SCIIF and its modifications and receiving regular information on the results of this work, as well as approving an action plan to correct any weaknesses observed.

- Reviewing, analysing and commenting on the Financial Statements and other relevant financial information with the senior management and internal and external auditors, in order to confirm that this information is reliable, comprehensible and relevant, and that the accounting principles followed are consistent with those applied at closing of the preceding year.

**Finance Management**

The Group's Finance Management is responsible for identifying any risk of error or fraud in financial information using the entire range of the SCIIF and for documenting control design. It is also responsible for informing the internal and external auditors of any changes in the perimeter of the Internal Financial Control Reporting System.

The AEDAS Homes Finance Management is responsible for establishing the design, implementation and global follow-up of the Internal Control System for the Group's financial reporting. It will therefore establish the system and implement the structure required for its supervision, thus ensuring that said system operates effectively.

In order to comply with this responsibility, the people in charge of each associated process or sub-process and any key controls must monitor these and report back to the AEDAS Homes Finance Management.

**Internal Audit Management**

The Internal Audit Management is responsible for planning the supervision and evaluation of the SCIIF with the scope and frequency required to ensure its effectiveness, taking account of the duties included in the Annual Internal Audit Plan, subject to approval by the Audit & Control Committee (CAC).

Internal Audit must determine the nature and extent of the tests to be carried out in order to identify any potential weaknesses in the relevant controls, and it will analyse the causes giving rise to these weaknesses in order to determine the control systems' level of compliance and efficacy.

To this end, the parties responsible for these controls must keep and review the relevant documentation and/or evidence that show that controls have been carried out, under supervision by Internal Audit.

As part of this supervision by Internal Audit, the results obtained will be reported as follows:

- Communication of the results related to the findings in control performance to the person responsible for the process and to his/her department.
- Communication of the findings and action plans agreed with the division to the Finance Management, the CEO and the Audit & Control Committee.
- In the event of any suspicion of fraud, the person directly responsible for the control operation should not be notified, but this information should instead be passed on to higher levels including the General Management and the Audit & Control Committee.

Implementation of any action plans will be the responsibility of the Finance Department with the support of the various divisions involved in each process.

Internal Audit will also be responsible for following up and monitoring any incidents and effectiveness of the action/improvement plans proposed to mitigate these incidents.

**F.1.2 The following elements, where they exist, especially in relation to the process of preparing the financial report:**

- **Departments and/or mechanisms in charge of: (i) designing and revising the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of duties and tasks; and (iii) ensuring the existence of sufficient procedures for their correct reporting throughout the company.**

The establishment of the bases of corporate organisation, with a view to guaranteeing greater efficiency, is the responsibility of the Board of Directors.

The Corporate Services Management is responsible for analysing, designing and developing the organisational structure of AEDAS Homes, ensuring that it is aligned with the Company's strategic objectives.

The lines of responsibility, lines of reporting and functions of each of the positions are defined by each Management, reflecting the existing hierarchical structure through an organisational chart and, through job description sheets, the objectives, functions and tasks of each one of the Company's positions of management and responsibility. All Company employees may access the organisational chart, directory and job description sheets via the Employee Portal.

For financial reporting purposes, the Company has clearly defined lines of authority and responsibility. Principal responsibility for the preparation of financial information lies with the Finance Management.

The formulation and review of criteria to be followed for the selection of managers for the Group is carried out by the Appointments & Remuneration Committee.

In order to comply with the obligations of transparency, access to public information and good governance, public access is established through the website to information on, the organisational structure, profile of the management team and senior management remuneration, which is presented in a clear, cost-free and structured manner.

- **Code of conduct, approval body, level of dissemination and instruction, principles and values included (indicating whether there is specific mention of the recording of transactions and the preparation of financial information), the body in charge of analysing breaches and of proposing corrective actions and sanctions.**

AEDAS Homes has a Code of Conduct that has been approved by the Company's Board of Directors. All of the Company's employees have been informed of this Code of Conduct, and it can be accessed both through the Employee Portal and investor pages of the AEDAS Homes website ([www.aedashomes.com/inversores.html](http://www.aedashomes.com/inversores.html))

The AEDAS Homes Code of Conduct includes the following values:

- Integrity: all members of AEDAS Homes undertake to behave with integrity and in a way that contributes to maintaining the Company's reputation.
- Excellence: AEDAS Homes has a team with wide-ranging experience in the residential real estate sector and trained to offer excellent client experience. At AEDAS Homes we carry out our duties with professionalism, respect and impartiality. We are committed to achieving our objectives through honest means and do not tolerate any unethical behaviour.
- Transparency: the Company undertakes to provide stakeholders with comprehensive, appropriate and truthful information in order to facilitate the decisions they need to make, in each and every one of the markets in which we operate.
- Innovation: we try to ensure that our residential properties incorporate innovations that will improve the quality of life of their residents, in terms of both their fittings and the materials used, equipping them with technologies that make life easier and more comfortable.

The Code of Conduct establishes the following principles:

- Regulatory compliance: AEDAS Homes's employees strictly comply with the provisions of all regulations in force in the performance of their duties.
- Fight against corruption: the Company adopts a zero-tolerance policy towards any kind of corruption. We are entirely honest in our dealings with both the public and private sectors, and integrity is one of the fundamental values in the way we conduct our business.
- Tax accountability: AEDAS Homes strictly complies with its tax obligations and works with the Tax Authorities to provide them with any information they may require.
- Healthy working environment: AEDAS Homes strictly complies with occupational health & safety regulations, and we have implemented initiatives both for the prevention of accidents and illness and to encourage a healthy lifestyle. We reject any kind of violation of basic human rights or public freedoms.
- Equal opportunities: AEDAS Homes promotes activities to encourage the professional advancement of its employees. Principles of fair treatment, non-discrimination and equal opportunities all form part of the Company's relations with its employees. In this regard, the Company would like to confirm its total rejection of any form of discrimination on the grounds of sex, race, sexual identity, etc. The Company is firmly committed to fighting against all forms of discrimination, through policies that are constantly evaluated, to encourage equal treatment, and through formative and awareness campaigns not only targeted at avoiding this conduct, but also at detecting and adequately handling such situations in order to guarantee the protection of any potential victims of discrimination.
- Objectivity: at AEDAS Homes we anticipate and manage conflicts of interest with the aim of ensuring the impartiality and objectivity of any decisions taken.
- Gifts, considerations and entertainment: as a general rule, we do not accept gifts, favours or consideration from third parties, either in cash or in kind, unless these are merely symbolic in nature and not offered with the aim of influencing the objectivity that must govern all of our actions. It is absolutely forbidden to offer gifts, rewards, invitations or any other item of value to public officials, politicians and other representatives of public institutions that may compromise their independence or integrity. Similarly, no-one at AEDAS Homes may offer gifts or services in advantageous conditions to the employees of private institutions, aside from the

consideration offered within the bounds of ordinary politeness whose corresponding financial value is symbolic and founded on principles of prudence and common sense.

- Use of AEDAS Homes equipment and assets: the items that AEDAS Homes makes available to its employees so that they may perform their duties may not be used for private or illegal purposes. Any expense incurred must conform to the principles of need and efficacy. The Company makes sure that its assets do not suffer any damage that could depreciate their value.
- Protection of the AEDAS Homes image: AEDAS Homes is committed to ensuring proper use of the Company's name, brand, image and reputation, acting in a way that is always faithful to AEDAS Homes and upholding its interests. We also respect the intellectual property rights of all third parties.
- Confidentiality and control of information: at AEDAS Homes we regard information as an intangible asset of great value, and we therefore believe that it is fundamental to preserve and manage it confidentially, especially where insider information is concerned. We also guarantee the protection of any personal data we may access as a result of the links between private individuals and our own business activities, and we undertake not to divulge their data unless we have obtained their consent or are bound by a legal obligation.
- True and fair view of financial information: at AEDAS Homes we have a control environment and specific procedures that ensure that our financial information is prepared in accordance with applicable valuation principles and rules, in such a way that all of our transactions are clearly and accurately reflected in our accounting ledgers and records and in any financial reporting.
- Free competition: at AEDAS Homes we ensure the exercise of free competition through the application of ethical business practices and observance of the law. With a view to avoiding any unfair competition, we safeguard our own confidential information, along with that of our co-workers, suppliers, clients and any other third parties.
- Collaboration with official institutions and public bodies: at AEDAS Homes we work together with official institutions and public bodies, undertaking to provide any information that they may require, transparently and clearly.
- Respect for the environment and planning regulations: we comply at all times with laws governing protection of the environment and respect for planning regulations. Furthermore, AEDAS Homes goes beyond mere compliance with the law and is committed to the rational use of natural resources and the design and construction of sustainable and energy-efficient building projects that respect the environment. AEDAS Homes develops only projects that have been granted the relevant licences, and it expressly prohibits the development of building projects in specially protected areas or construction in common planning zones.

The Compliance Committee is the body responsible for managing any complaints received in relation to breaches of the Code of Conduct, the Company's internal policy or the legislation in force. The Committee may act at the request of any complainant or on its own initiative, and it will take the necessary measures in respect of any complaints in the event that the circumstances in question are confirmed.

- **Whistleblowing channel, which enables the reporting of irregularities of a financial and accounting nature to the Audit & Control Committee, in addition to potential breaches of the Code of Conduct and irregular activities in the organisation, indicating whether these are confidential.**

AEDAS Homes has an ethical channel that can be used both by employees and by third parties outside the Company to report any behaviour that contravenes the Code of Conduct, the Company's internal policy or the legislation in force, including financial and accounting irregularities. Any information received as a result of such complaints is treated by the Compliance Committee in the strictest confidence, and all of the Company's employees have been informed of this fact.

- **Training programmes and regular updates for the personnel involved in the preparation and revision of financial information and evaluation of SCIIF, which should at least cover accounting regulations, auditing, internal risk monitoring and management.**



The Head of Corporate Resources works together with each of the areas that reports to the Finance Management to prepare training programmes and updates for the people involved in preparing and overseeing financial information.

The programmes include both general training programmes designed to provide a knowledge of the business and the various inter-related departments making up the Company, and specific programmes aimed at providing training and updates on any regulatory developments that have been newly introduced in relation to the preparation and supervision of financial information.

The topics covered by Finance Department courses arranged in the financial year ended 31 March 2023 include the following courses:

- Analysis of financial-economic statements
- Higher taxation course in real estate transactions
- Accounting focused on the real estate sector
- Expert course on the closing of accounts and balance sheet analysis
- Prevention of money laundering and the financing of terrorism
- Compliance and data protection

## **F.2 Financial reporting risk assessment**

**Provide information on at least the following:**

### **F.2.1. The main characteristics of the process for identifying risk, including risk of error or fraud, in respect of:**

- **Whether the process exists and is documented.**

There is a risk identification process including risks such as mistakes and fraud documented in the General SCIIF Policy of AEDAS Homes.

The scope of the SCIIF allows for the identification of which accounts and breakdowns have a significant risk associated whose potential impact on the financial information may be material. To this end, Finance Management considers the following quantitative and qualitative factors:

- Quantitative criteria

Quantitative criteria are established by calculating materiality for the year, for which the forecast of the December closing of the Group's Financial Statements will be taken as a reference.

The materiality of AEDAS Homes will be calculated based on the Group's situation in said year; the headings which comply with the following must be chosen:

- In the event that Group has ordinary profit: those headings exceeding 5% of the results of ordinary or operating activities.
- In the event that Group has losses or is at the break-even point or below a low performance level: those headings greater than the most representative 1% of the following:
  - Total net turnover.
  - Total assets.
  - Own funds.

Additionally, any headings meeting qualitative factors will be included in the scope of the SCIIF.

Once the material headings have been defined, any impacted processes or sub-processes will be determined based on their activities.

With the closing Financial Statements, an update of the scope of the SCIIF will be carried out each financial year to verify whether significant changes have occurred entailing the inclusion of any company or process.

- Qualitative criteria

In order to determine the processes to be included in the scope of the ICFR, the following qualitative aspects must also be considered:

- Size: account classified with respect to the materiality of "Material Error".
- Composition (volume and unit price): numerical volume of transactions in the financial year and unit price of each transaction.
- Automation of processes: automation vs manual processing. The greater the automation, the less the risk.
- Standardisation of operations: assessment of the homogenisation of registered operations. The greater the homogeneity, the less the risk.

- Susceptibility to fraud or error: risk of unintended error or fraud. To be considered: segregation of duties, level of supervision/approval, stringency of the review process.
- Accounting complexity: difficulty in the application of accounting processes due either to the interpretation of the standard or the complexity of associated calculations.
- Degree of estimation/judgment and valuations: consideration of the degree of estimation and/or judgment required for the recording of transactions.
- Risk of contingent losses or liabilities: asset associated to the account subject to potential value losses. Potential identification of contingent liabilities.
- Changes compared with the previous year: consideration of potential changes in accounting processes (e.g. new regulations, difficulty in obtaining the information required for account estimation), changes in the economic context or in the process itself.
- Adjustments to audit/control weaknesses: consideration of the control adjustments/weaknesses identified by internal or external auditors with an impact on this account in previous financial years.
- Criticality decision based on experience: consideration of accumulated experience in each item in previous financial years.
- As a result of this analysis, a total of seven processes have been identified with an impact on financial information; which cover both operating and support activities.

For each of these processes, a flowchart has been documented that facilitates understanding, along with a risk and control matrix, identifying any inherent risks and controls defined for mitigation.

- **Whether the process covers all financial reporting objectives (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently.**

In each of the risk and control matrixes defined for each material process, the aims of all financial reporting are clearly identified, amongst other control data:

- Existence and occurrence: transactions, events and other occurrences included in the financial information actually exist and were recorded in a timely manner.
- Integrity: the information reflects all the transactions, events and other occurrences in which the Company is involved.
- Valuation: transactions, events and other occurrences are recorded and valued in accordance with current legislation.
- Rights and obligations: the financial information, at the date of reference, reflects all rights and obligations through corresponding assets and liabilities in accordance with current legislation.
- Cut-off date: all transactions and events were recorded in the correct period.
- Presentation, breakdown and comparability: transactions, events and other occurrences are classified, presented and disclosed in the financial information in accordance with current legislation.

AEDAS Homes analyses each of the material processes in order to ensure that the risks are reasonably covered with its Internal Control System, and that this works efficiently. It will be updated when significant variations in the processes occur or as a result of the regular reviews carried out during the financial year.

- **The existence of a process for identifying the consolidation perimeter, considering, among other things, the potential existence of complex corporate structures, vehicle companies or special purpose entities.**

The Group incorporates all the entities that make up the consolidation perimeter.

The Group has a corporate structure that is formed by all its individual organisations and that forms the basis for the consolidation perimeter. The management and updating of the corporate structure is carried out by the Legal Department.

In the event of any change to the consolidation perimeter, the Legal Department informs the Finance Management, with back-up documentation (deeds of incorporation, acquisition of shares, sales, mergers, liquidations, etc.).

- **Whether the process takes account of the effects of other types of risk (operational, technological, financial, legal, reputational, environmental, etc.), to the extent that these affect the financial statements.**

Any potential risk identified through the SCIIF Risk Matrix is taken into account when preparing the Company's Risk Map. This Map is updated on an annual basis by the Finance Management, with support from all affected areas in the organisation.

This way, the Company can take account of the impact that other types of risk relating to categories such as Business Surroundings, Reputation, Legal & Regulatory, Human Resources, Operations, Finance, Information required for decision-making, Technology & IT Systems and Corporate Governance may have on financial statements.

- **Which corporate governance body supervises the process.**

Pursuant to Article 14 of the Board of Directors Regulations, the Audit & Control Committee oversees the process for preparing and ensuring the integrity of financial information. These duties include reviewing compliance with legal requirements, such as an accurate demarcation of the consolidation perimeter and the correct application of accounting principles.

### F.3 Monitoring activities

**Provide information on at least the following, describing their main characteristics:**

#### **F.3.1. Procedures for reviewing and authorising the financial information and description of the SCIIF to be disclosed to the markets, stating who is responsible in each case, along with the documentation describing the activities engaged in (including those relating to the risk of fraud) and the monitoring of the various types of transactions that could materially affect the financial statements, including account closure procedures and the specific revision of relevant opinions, estimates, valuations and forecasts.**

Pursuant to the Board of Directors Regulations, the Audit & Control Committee is responsible for reviewing the annual accounts and the periodic financial information that must be reported by the Company to the markets and their supervisory authorities, at all times ensuring compliance with any legal requirements and the correct application of generally accepted accounting principles when preparing the accounts.

Said Regulations also indicate that this Committee must review the periodic financial information that is to be submitted to the stock market authorities, along with any other information that the Board of Directors is required to approve and include among its annual public documentation. The Audit & Control Committee submits this information to the Board of Directors, which has ultimate responsibility for approving it before it is made public to the markets.

The Company has Accounting Policies, reviewed and updated by the Audit & Control Committee on 27 September 2019. Based on such Policies, the Finance Department draws up all economic-financial information.

In line with the schedule for stock market reporting, data at closing are reviewed in accordance with the following procedure:

- Once the Head of Accounting has completed and verified each closing, it is sent to the Finance & Tax Manager, who is responsible for verifying it and then proceeds to prepare the Group's consolidated information in accordance with International Financial Reporting Standard (IFRS).
- After the Finance Department's review, it is then presented to the Chief Executive Officer (CEO) for his approval.
- After approval, it is sent to the Audit & Control Committee, entrusted by the Board of Directors with supervising the efficacy of the SCIIF. Consequently, the CAC oversees the process of preparation, presentation and the integrity of required financial information, compliance with legislative requirements, the correct limits of the consolidation perimeter, and the correct application of accounting principles. It also includes a report on the procedures agreed on the review of certain consolidated financial information of the Group, prepared by the external auditors. At the six-monthly closing date, the findings of the limited review carried out by such auditors are also included.
- Similarly, the Audit & Control Committee is responsible for informing the Board of Directors, prior to the latter's approval of relevant decisions, of any financial information which, due to the Company's listed status, must be regularly reported.
- At year-end, the Board of Directors, in a plenary meeting, will approve preparation of the Annual Accounts, Management Report and the proposed allocation of the Company's results, as well as the Consolidated Annual Accounts and Consolidated Integrated Management Report, and presentation of the foregoing to the General Shareholders' Meeting. Additionally, for quarterly and

six-monthly closings, it is entrusted with approving the financial information that the Company regularly reports.

- Lastly, the information is published for the markets and other public bodies by the Head of Investor Relations, after being reviewed by the Finance Management.

In preparing the accounts, estimates made by the Group's Management and subsequently ratified by Company Directors are used to value some of the assets, liabilities, revenues, expenses and commitments reported therein. Essentially, these estimates refer to:

- Potential impairment of stock, tangible and intangible assets.
- Useful life of property, plant and equipment.
- Fair value of derivative financial instruments.
- Hypotheses used in determining liabilities for staff obligations.
- Assessment of litigation, provisions, commitments, assets and liabilities that are contingent at the closing date.

Some of these Accounting Policies involve the Management's personal judgment when selecting appropriate assumptions to determine these estimates. These assumptions and estimates are based on their experience, the advice of expert consultants, forecasts and other circumstances and expectations at closing of the period in question. The Management's assessment is considered in relation to the global economic scenario of the Development sector where the Group operates, taking into account future business progress. By nature, these judgments are subject to a degree of uncertainty, and thus the actual results could differ materially from the estimates and assumptions used. In this case, the values of the assets and liabilities will be adjusted.

The AEDAS Homes Group has an Internal Control System in place for its Financial Reporting (SCIIF). Amongst other checks, it includes Operative Checks to mitigate any risks related to the drafting and issue of financial information and materially significant accounting statements.

Operative processes related to the generation of the Group's economic information, subject to control, are: Closing and consolidation, Investment & Real Estate Stock, Treasury Cash, Purchases & Accounts Payable, Sales & Accounts Receivable, Taxes & Payrolls.

These processes and sub-processes are assigned a person in charge and are described through risk and control matrices, as well as flowcharts which describe any relevant control activities allowing an anticipated response to any risks associated to the reliability and integrity of financial information.

In turn, the SCIIF has documented general technology controls to ensure the security of financial information related to databases, applications and operating systems.

AEDAS Homes's Internal Audit department monitors and continuously supervises the effectiveness of the SCIIF Model, from design to operative efficacy, in order to ensure reasonable certainty about the reliability of any financial-economic information disclosed to the market as a listed company. Consequently, during the year, it reports to the Audit & Control Committee which, in turn, is presented with the Annual SCIIF Report that describes the main conclusions reached on average operative effectiveness at year-end.

**F.3.2. Policies and procedures for the internal monitoring of information systems (especially on safety and security of access, monitoring of changes, system operation, operational continuity and separation of functions) that support the company's relevant processes relating to the preparation and publication of the financial report.**

The Policy for Internal Control over Financial Reporting (SCIIF) establishes that safe access is defined by safety groups. Any change in a permit or role is subject to a written authorisation procedure, overseen by the Finance Management, in order to provide recorded evidence in relation to any change in user permits.

Roles and user groups with individual permits enable a separation of duties when approving any defined information flows. Any changes that may be made in the platform are recorded in the application to provide evidence of successive versions.

There is also a contingency plan to guarantee operational continuity of the SCIIF.

**F.3.3. Policies and internal control procedures aimed at supervising the management of activities outsourced to third parties, including matters relating to valuation, calculation or assessment entrusted to independent experts, which could materially affect the financial statements.**

Generally speaking, AEDAS Homes does not outsource any activity considered relevant and/or significant that could materially affect its financial reporting.

During the period transpiring between 1 April 2022 and 31 March 2023 activities in this field have only referred to an appraisal of the Group's real estate portfolio.

In any case, outsourcing to third parties is done by each division manager, ensuring the competency, technical and legal training and independence of such hired professionals.

The Company also has a Code of Conduct for third parties that establishes the principles that must be fulfilled. Compliance with this Code may be audited by AEDAS Homes.

**F.4 Information and communication**

**Provide information on at least the following, describing their main characteristics:**

**F.4.1. A specific office that is responsible for defining and maintaining accounting policies (accounting policies division or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies that is regularly updated and communicated to all the company's operating units.**

The Administrative and Tax Department that reports to the Finance Department is responsible for preparing, publishing, implementing and updating the Company's Accounting Standards Manual (described in section F.3.1).

The department analyses whether the new developments or changes in accounting matters have any effect on the Group's accounting policies, and the date of entry into force of each of the rules. When it is identified that the new regulations or the interpretation thereof affect the Group's accounting policies, they are added to the manual and are reported to the parties responsible for preparing the Group's financial report by means of appropriate instructions.

**F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the company or group, and support its main financial statements and accompanying notes as well as disclosures concerning the SCIIF.**

The process for the consolidation and preparation of the consolidated financial statements is carried out centrally by the Administrative and Tax Department that reports to the Finance Department.

Preparation of the consolidated financial information begins with the aggregation of the individual financial statements for each of the companies included within the consolidation perimeter, for subsequent consolidation under the accounting regulations.

The financial information reported to the Spanish Securities Markets Commission (CNMV) is prepared with the consolidated financial statements that result from this process, and additional information that is reported by the Management Control Department and is required for the preparation of the annual and/or half-yearly report.

**F.5 Monitoring the operation of the system**

**Provide information on at least the following, describing their main characteristics:**

**F.5.1. The SCIIF monitoring activities undertaken by the Audit & Control Committee, and whether the company has an internal auditing function whose powers include supporting the Audit & Control Committee in its role of monitoring the internal control system, including the SCIIF. Information will also be given on the scope of the SCIIF evaluation carried out during the year and on the procedure whereby the person in charge of performing the evaluation communicates the results, whether the company has an action plan detailing any corrective measures, and whether the impact on the financial reporting has been considered.**

The Audit & Control Committee, in compliance with its SCIIF supervision duties during the financial year ended 31 March 2022, has carried out the following activities:

- It has overseen the efficacy of AEDAS Homes Group's internal monitoring, internal auditing and risk management systems, and has discussed the state of the internal monitoring system for financial information with the accounts auditor.
- It has overseen the process for preparing and submitting regulated financial information and has presented recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
- It has overseen the mechanism whereby staff can confidentially or anonymously report any potentially significant irregularities that they detect within the Company, particularly in financial and accounting matters.
- It has provided prior information to the Board of Directors regarding all the matters required in the Act, the Company's By-laws and the Board of Directors Regulations, with particular regard to the financial information that the Company is required to publish periodically and any operations with related parties.
- It has monitored compliance with the Company's codes of conduct, its corporate governance rules and its corporate social responsibility policy.
- It has supervised the steps taken by Internal Audit, to include a review of the financial information internal control system (SCIIF), gathered as one of the lines of action of Internal Audit Management in the 2022/23 Annual Internal Audit Plan, passed by the Committee on 23 March 2022.
- It has supervised the measures implemented in risk and compliance matters, related to the Company's main risks and contingencies, as well as identification, management and control systems. Steps taken by the Risk & Compliance function, further to the 2022/23 Risk Management Plan and 2022/23 Compliance Plan, passed by the Committee on 23 March 2022.
- It has guaranteed the auditor's appearance before the CAC to report on its work, accounting performance and the Company's risks.
- It has supervised, before being presented to the Board of Directors, the 2021/21 Annual Corporate Governance Report for the financial year ended 31 March 2022.
- It has informed the General Shareholders' Meeting, held on 25 May 2022, about matters within its remit, to particularly include the outcome of the audit for the financial year ended 31 March 2022, explaining how it has contributed to financial reporting integrity and the function carried out by the Audit & Control Committee itself in this process.

The Audit & Control Committee has entrusted the Internal Audit Department with overseeing the internal risk control and management systems, including reviewing and assessing the reliability of economic-financial information systems, as set out in AEDAS Homes's Internal Audit Statute approved by the Audit & Control Committee.

In compliance with its duties, Internal Audit has included in the 2022-23 Annual Internal Audit Plan a review of the effectiveness of Internal Control over Financial Reporting in the AEDAS Homes Group.

The outcome of this work and action plans has been reported to the Finance Management, CEO and Audit & Control Committee, issuing a report on Internal Audit of the Internal Control System for Financial Reporting in AEDAS Homes.

**F.5.2. Whether the company has a discussion procedure whereby the accounts auditor (pursuant to TAS), the internal audit office and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments to the company's senior management and its Audit Committee or Board of Directors. State also whether the Company has an action plan to correct or mitigate any weaknesses found.**

The Internal Audit function reports any significant internal control weaknesses identified during its review processes to the Finance Management, CEO and Audit & Control Committee, along with the action plans proposed in order to mitigate such weaknesses. The proper implementation of any such actions plans to resolve or mitigate these weaknesses will also be monitored by Internal Audit.



**F.6 Other relevant information**

There is no further relevant information to report.

**F.7 External auditor's report**

State whether:

**F.7.1. If the SCIIF information disclosed to the markets has been reviewed by the external auditor, the Company must include the relevant report as an Appendix. Otherwise, explain the reasons for the absence of this review.**

The Group's Management has decided to subject the information relating to SCIIF to review by an external auditor. The foregoing report has been annexed to this AEDAS Homes Corporate Governance Report.

**G COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Indicate the compliance of the company according to the recommendations of the Code of Good Governance of listed companies.

In the event that any recommendation is not followed or partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have enough information to assess the company's behaviour. Explanations of a general nature will not be acceptable.

1. That the by-laws of listed companies do not limit the maximum number of votes that may be issued by a single shareholder, nor contain other restrictions that hinder the seizing of the company through the acquisition of its shares on the market.

Complies  Explain

2. When the listed company is controlled, in the terms of Article 42 of the Spanish Commercial Code, by another listed or unlisted entity, and directly, through its subsidiaries, has business relations with such entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to any of the foregoing, publicly explain in detail:
  - a) Respective areas of activity and possible business relations between, on the one hand, the listed company or its subsidiaries, and, on the other hand, the parent company or its subsidiaries.
  - b) The mechanisms foreseen to settle any potential conflicts of interest.

Complies  Partially complies  Explain  Not applicable

3. That during an ordinary general meeting, as a complement to the dissemination in writing of the annual corporate governance report, the chairman of the board of directors verbally informs the shareholders, in sufficient detail, of the most relevant aspects of the corporate governance of the company and, in particular:

- a) On the changes that have occurred since the previous ordinary general meeting.
- b) On the specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if they should exist, the alternative rules that apply in that area.

Complies  Partially complies  Explain

4. That the company defines and promotes a policy of communication and contacts with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that is fully respectful of the rules against market abuse and provides similar treatment to shareholders who are in the same position. And that the company makes public this policy through its website, including information regarding the way in which it has been put into practice and identifying the interlocutors or those responsible for carrying it out.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a

general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders

Complies  Partially complies  Explain

AEDAS Homes partly complies by having in place a “Policy for communication and contact with shareholders, institutional investors and voting advisors”, approved by the Board of Directors on 27 September 2017. However, it does not have a general policy on the reporting of economic-financial, non-financial and corporate information.

5. That the board of directors does not submit to the general meeting a proposal to delegate powers, to issue shares or convertible bonds excluding the right of preferential subscription, for an amount greater than 20% of the capital at the time of delegation.

And when the board of directors approves any issue of shares or convertible bonds excluding the right of pre-emptive subscription, the company immediately publishes on its website the reports on said exclusion to which the commercial legislation refers.

Complies  Partially complies  Explain

6. That listed companies that prepare the reports listed below, whether mandatory or voluntary, publish them on their website sufficiently in advance of the ordinary general meeting, although their dissemination is not mandatory: a) Report on the auditor’s independence. b) Performance reports of the audit and appointment and remuneration commissions. c) Report of the Audit Committee on related-party transactions.

Complies  Partially complies  Explain

7. That the company transmits live, through its website, the holding of General Shareholders’ Meetings. And that the company has mechanisms in place with which to grant a proxy and vote by remote means. Even in the case of highly capitalised companies and insofar as this is proportional, attendance and active participation at General Meetings.

Complies  Explain

8. That the Audit Committee ensure that the annual accounts submitted by the Board of Directors to the General Shareholders’ Meeting are drawn up in accordance with accounting regulations. And, in those cases where the auditors have issued a qualified auditing report, the chairman of the Audit Committee must clearly explain at the General Meeting the Audit Committee’s opinion on its content and scope, providing a summary of such opinion to the shareholders as soon as notice of called meeting is published, along with all other proposals and reports of the board.

Complies  Partially complies  Explain

9. That the company make permanently public on its website the requirements and procedures it will accept to accredit the ownership of shares, the right to attend the general shareholders’ meeting and the exercise or delegation of the right to vote.

And that such requirements and procedures favour the shareholders’ assistance and exercise of their rights and are applied in a non-discriminatory manner.

Complies  Partially complies  Explain

10. That when a legitimate shareholder has exercised, prior to the holding of the general shareholders’ meeting, the right to complete the agenda or to submit new proposals for agreement, the company:

a) Immediately disseminates such complementary points and new proposals for agreement.

b) Makes public the model of attendance card or form of delegation of vote or remote vote with the precise modifications so that the new points of the agenda and alternative proposals can be voted according to the same terms as those proposed by the board of directors.

c) Submits all those points or alternative proposals to a vote and apply the same voting rules to them as those formulated by the board of directors, including, in particular, presumptions or deductions regarding the direction of the vote.

d) After the general shareholders' meeting, communicates the breakdown of the vote on such complementary points or alternative proposals.

Complies  Partially complies  Explain  Not applicable

11. That, in the event that the company plans to pay attendance premiums to the general shareholders' meeting, it establishes, in advance, a general policy on such premiums and that said policy is stable.

Complies  Partially complies  Explain  Not applicable

12. That the board of directors carries out its functions with unity of purpose and independence of judgement, dispenses the same treatment to all shareholders who are in the same position and is guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, that promotes its continuity and the maximisation of the economic value of the company.

And in the pursuit of social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted good practices, try to reconcile its own social interest with, as appropriate, the legitimate interests of its employees, its suppliers, its customers and those of other interest groups that may be affected, as well as the impact of the company's activities on the community as a whole and on the environment.

Complies  Partially complies  Explain

13. That the board of directors possess the precise dimension to achieve an efficient and participative operation. For this reason, it is it advisable that it has between five and fifteen members.

Complies  Explain

14. That the board of directors approves a policy aimed at favouring an appropriate composition of the Board, which:

a) is concrete and verifiable; b) ensures that the proposals for appointment or re-election are based on a prior analysis of the skills required by the board of directors; and c) favours the diversity of knowledge, experience, age and gender. For these purposes, any measures that encourage the hiring by the company of a high number of female senior executives will be considered to encourage gender diversity. That the result of the previous analysis of the skills required by the board of directors is included in the justification report of the appointments committee which is published when the General Shareholders' Meeting is convened to which the ratification, appointment or re-election of each director is submitted. The appointments committee will annually verify compliance with the director selection policy and will be informed of this in the annual corporate governance report.

Complies  Partially complies  Explain

15. That the proprietary and independent directors constitute a large majority of the board of directors and that the number of executive directors is the minimum necessary, taking into account the complexity of the corporate group and the percentage of participation of the executive directors in the capital of the company. And that the number of female directors represent, at least, 40% of the total board members before the end of 2022 and thereafter, without being previously less than 30%.

Complies  Partially complies  Explain

AEDAS Homes partially complies as the Board of Directors consists of a wide majority of independent and proprietary directors. However, the percentage of female directors is below 30%, at the closing date of this Report.

16. That the percentage of proprietary directors over the total of non-executive directors is not greater than the proportion between the capital of the company represented by said directors and the rest of the capital.

This criterion may be mitigated:

- a) In companies with large capitalisation in which shareholdings that are legally considered significant are scarce.
- b) In the case of companies in which there is a plurality of shareholders represented on the board of directors and have no links with each other.

Complies  Explain

17. That the number of independent directors represents at least half of the total number of directors.

That, however, when the company is not highly capitalised or when, even if it is, it has a shareholder or several acting in concert, who controls more than 30% of the share capital, the number of independent directors represents at least one third of the total number of directors.

Complies  Explain

18. That the companies make public through their website, and keep updated, the following information about their directors:

- a) Professional and biographical profile.
- b) Other boards of directors to which they belong, whether they are listed companies or not, as well as other paid activities that they carry out, whatever their nature.
- c) Indication of the category of director to which they belong, indicating, in the case of proprietary directors, the shareholder they represent or with whom they have links.
- d) Date of their first appointment as a director in the company, as well as of subsequent re-elections.
- e) Shares of the company, and options on them, of which they are holders.

Complies  Partially complies  Explain

19. That in the annual corporate governance report, after verification by the appointments committee, the reasons why nominee directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital are explained; and the reasons why formal requests for presence on the board from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed should not be addressed will be outlined.

Complies  Partially complies  Explain  Not applicable

20. That the proprietary directors present their resignation when the shareholder they represent transfers their shareholding in its entirety. And they also do so, in the corresponding number, when said shareholder reduces their shareholding to a level requiring the reduction of the number of its proprietary directors.

Complies  Partially complies  Explain  Not applicable

21. That the board of directors does not propose the separation of any independent director before the expiration of the statutory period for which he or she was appointed, except when there is a just cause, appreciated by the board of directors after a report from the appointments committee. In particular, it shall be understood that there is just cause when the director moves into new positions or obtains new obligations that prevent them from devoting the time necessary to carry out the duties of the position of director, breach the duties inherent to their position or incur in some of the circumstances that cause them to lose their status as independent, in accordance with the provisions of the applicable legislation.

Separation of independent directors may also be proposed as a result of public takeover bids, mergers or other similar corporate transactions that imply a change in the capital structure of the company, when such changes in the structure of the board of directors are favoured by the criterion of proportionality indicated in recommendation 16.

Complies  Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the appointments & remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies  Partially complies  Explain

23. That all directors clearly express their opposition when they consider that any proposal for a decision submitted to the board of directors may be contrary to the corporate interest. And, in particular, independent directors and other directors who are not affected by the potential conflict of interest, in the case of decisions that may harm shareholders not represented on the board of directors.

And when the board of directors adopts significant or repeated decisions on which the director has made serious reservations, the latter draws the appropriate conclusions and, if they opt to resign, must explain the reasons in the letter referred to in the following recommendation.

This recommendation also reaches the secretary of the board of directors, even if they do not have the status of a director.

Complies  Partially complies  Explain  Not applicable

24. That when, as a result of a resignation or if agreed by the general meeting, a director leaves office before the end of his/her term, that he/she sufficiently explain the reasons for his/her dismissal or, in the case of non-executive directors, their opinion on the reasons for their dismissal by the meeting, in a letter forwarded to all the members of the board of directors. Without prejudice to duly reporting on the foregoing in the annual corporate governance report and to the extent that this is relevant for investors, the company should publish the dismissal as soon as possible, sufficiently referring to the reasons or circumstances submitted by the director.

Complies  Partially complies  Explain  Not applicable

25. That the appointments committee ensures that non-executive directors have sufficient time available for the proper performance of their duties.

And that the regulations of the board establish the maximum number of board of directors of which its directors can be a part.

Complies  Partially complies  Explain

26. That the board of directors meet with the necessary frequency to perform its functions effectively and, at least, eight times a year, following the schedule of dates and matters established at the beginning of the year, each director being able to propose individually other points of order of the day initially not foreseen.

Complies  Partially complies  Explain

The Company has held a total of 7 Board Meetings during the year, which are sufficient in the period to effectively carry out its duties, based on the Company's current needs. Nevertheless, an additional Board Meeting was held in writing without a session.

27. That any absences of the directors are reduced to indispensable cases and are quantified in the annual corporate governance report. And that, when they should occur, representation is granted with instructions.

Complies  Partially complies  Explain

Director absences at Meetings are limited to specific and unavoidable circumstances. A proxy with specific instructions is not granted, given that the Board Chairman is generally entrusted with their representation and vote, as appropriate.

- 28. That when the directors or the secretary express concern about any proposal or, in the case of the directors, about the progress of the company and such concerns are not resolved in the board of directors, at the request of the person who expressed them, a record is left of them in the minutes.**

Complies  Partially complies  Explain  Not applicable

- 29. That the company establishes the appropriate channels so that the directors can obtain the necessary advice for the fulfilment of their duties, including, if required by the circumstances, external advice charged to the company.**

Complies  Partially complies  Explain

- 30. That, regardless of the knowledge required of directors for the exercise of their duties, companies also offer directors refresher programmes when the circumstances warrant.**

Complies  Explain  Not applicable

- 31. That the agenda of the sessions clearly indicates those points on which the board of directors must adopt a decision or agreement so that the directors can study or collect, in advance, the information required for its adoption.**

When, exceptionally, on grounds of urgency, the chairman wishes to submit decisions or resolutions that are not included in the agenda for approval by the board of directors, the prior and express consent of the majority of the present directors must be obtained, which will be duly recorded in the minutes.

Complies  Partially complies  Explain

- 32. Directors shall be regularly informed of movements affecting shareholders, and opinions that significant shareholders, investors and rating agencies have on the Company and its group.**

Complies  Partially complies  Explain

- 33. The chairman, as the person responsible for the effective operation of the Board, in addition to the duties legally and statutorily entrusted to them, must prepare and submit to the Board of Directors a program of dates and subjects to be discussed; to organise and coordinate the regular evaluation of the Board, as well as, where applicable, the Company's chief executive be responsible for managing the Board and the effectiveness of its operation; ensuring sufficient time is devoted to the discussion of strategic issues, and agree on and review knowledge updating programs for each director when circumstances so advise.**

Complies  Partially complies  Explain

- 34. When there is a Coordinating Director, the By-laws or the Regulations of the Board of Directors, in addition to the powers legally conferred upon him/her, the following duties must be assigned to the Coordinating Director: to preside over the Board of Directors in the absence of the Chairman and Vice Chairmen, in case of exist; to echo the concerns of non-executive Directors; to maintain regular contact with investors and shareholders, and understand their points of view in order to form an opinion about their concerns, in particular in relation to the Company's corporate governance; and coordinate the Chairman's succession plan.**

Complies  Partially complies  Explain  Not applicable



**35. The Secretary to the Board of Directors should exercise special care to ensure that the Board's actions and decisions take into account recommendations on good governance present in this Good Governance Code that are applicable to the Company.**

Complies  Explain

**36. The Board of Directors must evaluate once a year and adopt, where appropriate, an action plan to correct weaknesses detected with respect to:**

- a) The quality and efficiency of the operation of the Board.
- b) The running and composition of its Committees.
- c) Diversity in the breakdown and competences of the Board of Directors.
- d) The performance of the Chairman of the Board and of the Company's chief executive.
- e) The performance and contribution of each director, paying special attention to the heads of the different Board Committees.

The assessment of the different Committees will be based on the report submitted by them to the Board of Directors, and for the latter, on the report submitted by the Appointments Committee.

Every three years, the Board of Directors will be assisted in the evaluation by an external consultant, whose independence will be verified by the Appointments Committee.

The business relationships that the consultant or any company in the group maintains with the Company or any company in the group should be broken down in the annual corporate governance report.

The process and areas evaluated will be described in the annual corporate governance report.

Complies  Partially complies  Explain

**37. When there is an Executive Committee, the participation structure of the different classification of directors shall be similar to the structure of the Board of Directors, and the Secretary will be the Secretary of the Board.**

Complies  Partially complies  Explain  Not applicable

**38. The Board of Directors should always be aware of the matters dealt with and of the decisions adopted by the Executive Committee and all the Board members should receive a copy of the meeting minutes of the Executive Committee.**

Complies  Partially complies  Explain  Not applicable

**39. Members of the Audit Committee and in particular the Chairman, should be appointed based on their knowledge and experience in the areas of accounting, auditing or risk management, both financial and non-financial.**

Complies  Partially complies  Explain

**40. Under the supervision of the Audit Committee, a unit will run the internal audit function to ensure correct management of the information and internal control systems and its performance will depend on the non-executive Chairman of the Board or the Audit Committee.**

Complies  Partially complies  Explain

**41. The person in charge of the internal audit function should present an annual work plan to the Audit Committee, directly reporting any incidents that arise during its development and submit an activities report at the end of each year.**

Complies  Partially complies  Explain  Not applicable

**42. In addition to the duties legally entrusted to them, the following responsibilities should correspond to the Audit Committee:**

**1. In relation to the information and internal control systems:**

- a) To supervise the preparation process and the integrity of the financial information related to the Company and, as appropriate, the group, and to verify compliance with regulatory requirements, the appropriate boundaries and the correct application of accounting principles.
  - b) Ensure the independence of the internal audit unit; propose the selection, appointment, re-election and removal of the person responsible for the internal audit service; to propose a budget for such service; to approve orientation and work plans, making sure that its activity is mainly focused on the relevant risk of the Company; receive regular information on its activities, and verify that senior management takes into account the conclusions and recommendations of its reports.
  - c) Establish and monitor a mechanism whereby employees can report confidentially and, if necessary, anonymously any potentially significant irregularities, particularly financial and accounting irregularities, detected within the Company.
2. In relation to the external auditor:
- a) In the event of the resignation of the external auditor, the circumstances motivating this must be reviewed.
  - b) Ensure that the remuneration of the external auditor for their work does not compromise their quality or independence.
  - c) Ensure that the Company informs the CNMV of a change of auditor as a significant event, accompanied by a statement on any disagreements that may have arisen with the outgoing auditor and their content.
  - d) Ensure that the external auditor holds an annual meeting with the Board of Directors to inform them of work performed and evolution of the Company's accounting situation and risks.
  - e) Ensure that the Company and the external auditor respect current regulations on the provision of services other than audit services, the limits on the concentration of the auditor's business, and, in general, other rules on the independence of auditors.
- Complies  Partially complies  Explain
43. The Audit Committee may meet with any Company employee or manager, even ordering their appearance without the presence of any other manager.
- Complies  Partially complies  Explain
44. The Audit Committee should be informed of any structural and corporate changes that the Company plans to carry out for its analysis prior to reporting it to the Board, on the Company's economic conditions and accounting impact and, especially, where applicable, on the proposed exchange ratio.
- Complies  Partially complies  Explain  Not applicable
45. That the risk control and management policy identify at least:
- a) The different types of risks, financial and non-financial (including operational, technological, legal, social, environmental, political and reputational) faced by the Company, including financial or economic liabilities, contingent liabilities and other off-balance sheet risks.
  - b) The levels of risk that the Company considers acceptable.
  - c) The measures established to mitigate the impact of identified risks, should they actually materialise.
  - d) The internal control and reporting systems that will be applied to oversee and manage these risks, including contingent liabilities or off-balance-sheet risks.
- Complies  Partially complies  Explain

**46. There be an internal risk control and management function under the direct supervision of the Audit Committee or, as the case may be, a specialised committee appointed by the Board of Directors, run by a unit or internal department of the company and assigned the following functions:**

- a) Ensure the smooth functioning of the risk management and control systems and, in particular, identify, manage and quantify all important risks that affect the Company.
- b) Actively participate in the risk strategy development and in important decisions about its management.
- c) Ensure that the risk management and control systems mitigate risks adequately and within the policy framework defined by the Board.

Complies  Partially complies  Explain

**47. Members of the Appointments & Remuneration Committee - or of the Appointments Committee and the Remuneration Committee, if they are separate - be appointed based on their knowledge, skills and experience appropriate to the duties of their role and that the majority of these members be independent directors.**

Complies  Partially complies  Explain

**48. Companies with high capitalisation have a separate Appointments and Remuneration Committee.**

Complies  Explain  Not applicable

**49. The Appointments Committee should consult the Chairman and the chief executive of the company, especially when dealing with matters concerning the executive Directors.**

**And that any Director may request the Appointments Committee to take into consideration, if deemed suitable, potential candidates to fill director vacancies.**

Complies  Partially complies  Explain

**50. The Remuneration Committee should exercise its duties independently and that, in addition to the duties legally entrusted to them, the following responsibilities should correspond:**

- a) Propose to the Board the basic contract conditions for senior management.
- b) Monitor the observance of the remuneration policy established by the Company.
- c) Regularly review the remuneration policy applicable to directors and senior management, including the remuneration systems consisting of shares and their application, as well as ensuring that individual remuneration is proportionate to that paid to other company directors and senior executives.
- d) Ensure that any conflicts of interest do not prejudice the independence of external advice provided to the Committee.
- e) Verify remuneration information for directors and senior management contained within various corporate documents, including the annual report on the remuneration of directors.

Complies  Partially complies  Explain

**51. The Remuneration Committee should consult the Company Chairman and the chief executive, especially when dealing with matters relating to executive directors and senior management.**

Complies  Partially complies  Explain

**52. The rules on the composition and running of the Supervision and Control Committees should appear in the Board of Directors regulations, and be consistent with the legally binding commissions in line with previous recommendations, including:**

- a) That they be formed exclusively by non-executive directors, composed with a majority of independent directors.
- b) That the Committee Chairmen be independent directors.

c) That the Board of Directors appoint committee members based on each director's knowledge, skills and experience and the tasks of each committee, to discuss their proposals and reports; taking into account the work carried out before the first plenary session of the Board of Directors subsequent to its meeting.

d) That Committees may engage external advisors, whenever they see fit to perform their duties.

e) That meeting minutes be prepared and made available to all directors.

Complies  Partially complies  Explain  Not applicable

Partial compliance is due to the fact that the Board of Directors of AEDAS Homes is equipped with three Committees to which different supervision and control responsibilities are delegated.

Regarding the Committees constituted by legal requirements, corresponding to the Audit & Control Committee; and Appointments & Remuneration Committee, it should be noted that they comply with all the recommendations established in recommendation 52.

As regards the Technology, Innovation & Cybersecurity Committee, it presents partial compliance with recommendation 52, since it does not follow the indication that it be composed exclusively of non-executive directors and a majority of independent directors, following other CNMV recommendations. The reason for not following the recommendation referred to in this section is that, when considering the Company's technological development, which is essential in order to reach its future strategic objectives, it is of vital importance that the Chief Executive Officer participate in the Committee to promote the implementation of key technological development plans for AEDAS Homes.

**53. The supervision of compliance with the corporate governance rules, the internal codes of conduct and the corporate social responsibility policy be attributed to one or be distributed among several Board Committees including the Audit Committee, the Appointments or the Corporate Social Responsibility Committee, or a specialist Committee appointed by the Board of Directors for that purpose, to which specifically the following minimum duties apply:**

- a) Supervise compliance with the internal code of conduct and the Company rules of corporate governance.
- b) Supervise communication strategy and relationship with shareholders and investors, including small and medium shareholders.
- c) Carry out regular evaluation of the adequacy of the company corporate governance system in order to promote social interest and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) Review the company corporate responsibility policy, ensuring that it is directed towards the creation of value.
- e) Monitor the corporate social responsibility strategy and practices and assess their degree of compliance.
- f) Supervise and evaluate relationship processes with the different stakeholders.
- g) Evaluation of everything related to the non-financial risks of the company including operational, technological, legal, social, environmental, political and reputational risks.
- h) Coordination of the process of reporting non-financial information and diversity, in accordance with applicable regulations and international reference standards.

Complies  Partially complies  Explain

**54. The corporate social responsibility policy must include the principles or commitments that the company assumes voluntarily in its relationship with different stakeholders and identify at least:**

- a) The objectives of the corporate social responsibility policy and the development of support tools.
- b) The corporate strategy related to sustainability, the environment and social issues.
- c) Specific issues on matters related to: shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and prevention of illegal conducts.
- d) Methods or systems for monitoring the application of results on the specific issues indicated in the previous point, the associated risks and their management.
- e) Monitoring mechanisms of non-financial risk, ethics and business conduct.
- f) The channels of communication, participation and dialogue with stakeholders.
- g) Responsible communication practices that avoid information manipulation and protect integrity and honour.

Complies  Partially complies  Explain

**55. Company reports on matters related to corporate social responsibility to be submitted in a separate document or in the management report, using some of the internationally accepted methodologies**

Complies  Partially complies  Explain

**56. Remuneration for directors is necessary to attract and retain directors of the required profile and to reward dedication, skill and responsibility that the position requires, but should not be so high as to compromise the independence of directors and non- executives.**

Complies  Explain

**57. Variable remuneration should be linked to both company and personal performance, as well as remuneration through the delivery of shares options or rights over shares or tools referenced to the value of the share and the savings systems, and be limited to the executive directors in the long term in the form of pension plans, retirement schemes or other social welfare systems.**

The delivery of shares may be considered as remuneration for non-executive directors when it is a condition to keep them until they step down as directors. This does not apply to shares that the director needs to transfer to cover any costs related to the acquisition of shares.

Complies  Partially complies  Explain

**58. In the case of variable remuneration, the remuneration policies should incorporate limits and precise technical cautions to ensure that such remunerations are related to the professional performance of their beneficiaries and do not derive solely from the general evolution of the markets or the sector of activity of the company or other similar circumstances.**

And, in particular, that the variable components of remuneration:

- a) Are linked to performance criteria that are predetermined and measurable, and that said criteria considers the risk assumed to obtain a result.
- b) Promote the sustainability of the Company and include non-financial criteria adequate for the creation of long-term value, such as compliance with the Company rules and internal procedures and its policies for the control and management of risks.
- c) Are configured on the basis of a balance between the fulfilment of short, medium and long-term objectives, rewarding performance and motivating to encourage a continuous performance over a sufficient period of time to appreciate staff contribution to the sustainable creation of value, so that the elements of performance measurement do not revolve solely around specific, occasional or extraordinary events.

Complies  Partially complies  Explain  Not applicable

**59. The payment of variable remuneration components is subject to sufficiently ascertaining that any previously established performance or other conditions have been effectively met. All entities will include in their annual directors' remuneration report the criteria followed as regards the necessary time and methods used for this verification, depending on the nature and characteristics of each variable component.**

In addition, all entities should consider including a “malus” clause based on a deferral over a sufficient period of time of payment of part of these variable components, which may be fully or partly lost.

Complies  Partially complies  Explain  Not applicable

**60. Remuneration based on the Company results should take into account any reservations stated in the external auditor's report that may reduce said results.**

Complies  Partially complies  Explain  Not applicable

**61. A significant percentage of the variable remuneration of executive directors be linked to the delivery of shares or financial tools referenced to their value.**

Complies  Partially complies  Explain  Not applicable

**62. Once shares options or rights based on the remuneration systems have been attributed, directors cannot transfer ownership of shares equivalent to twice their annual fixed remuneration, nor can they exercise the options or rights for at least three years from their allocation.**

**This does not apply to shares that the director needs to transfer to cover any costs related to the acquisition of shares.**

Complies  Partially complies  Explain  Not applicable

AEDAS Homes partly complies given that that under the Flexible Payment Plan, the CEO of AEDAS Homes will receive a block of shares in the third year of each plan cycle. Shares obtained under the Flexible Payment Plan must be kept for at least one year. This procedure is in accordance with recommendation 56 of the CNMV's Code of Good Governance of listed companies, which states that listed companies must offer directors adequate remuneration conditions to attract and retain the required profiles, in accordance with the conditions agreed with the CEO of AEDAS Homes.

**63. Contractual agreements should include a clause that allows the Company to reclaim variable components of remuneration when payment was not adjusted to the performance conditions, or that was paid on the basis of data that was subsequently proved inaccurate.**

Complies  Partially complies  Explain  Not applicable

**64. Payments for contract resolution must not exceed a fixed amount equivalent to two years of total annual remuneration and must not be paid until the Company has verified that the director has previously met the established performance criteria.**

Complies  Partially complies  Explain  Not applicable

AEDAS Homes partly complies given that the CEO of AEDAS Homes, in case of unilateral resolution of contract by the Company, will be entitled to two years' fixed remuneration (with three months' notice), receiving a higher compensation than two full years if the Board decides to activate the non-competition clause in which the Chief Executive Officer would receive a fixed remuneration annuity. Additionally, in accordance with recommendation 56 of the CNMV's Code of Good Governance of listed companies, which states that listed companies must offer directors adequate remuneration conditions to attract and retain the required profiles, in accordance with the conditions agreed with the Chief Executive Officer of AEDAS Homes.

## **H** OTHER INFORMATION OF INTEREST

**1. If you consider that there is any material aspect or principle relating to the corporate governance practices followed by your company or companies in its group that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or its group, explain briefly.**

**2. This section may include any other information, clarification or observation related to the above sections of this report, to the extent that they are relevant and do not repeat information already provided.**

**Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.**



3. The Company may also indicate whether it voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the code in question and the date of its adoption. In particular, state whether the company has signed up to the Good Tax Practices Code of 20 July 2010.

This annual corporate governance report was approved by the company’s Board of Directors at its meeting held on 30 May 2023.

Indicate whether any director abstained or voted against the approval of this Report.

Yes

No

Personal or corporate name of board member that did not vote in favour of approving this report	Reasons (against, abstention, non-attendance)	Explain the reasons
-	-	-