

ANNEX I – FORM

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

PARTICULARS OF THE ISSUER

REPORTING DATE	2023
Tax No. A- 95786562	
Registered office: C/ Henao 20, Bilbao	
Company: NEINOR HOMES, S.A.	

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table on the share capital and attributed voting rights, including, where applicable, those corresponding to shares with loyalty voting rights, at the end of the reporting period:

Indicate whether the company's articles of association contain a provision for double loyalty voting:

Sí No

Date of approval at the General Shareholders' Meeting:

Minimum period of uninterrupted ownership required by the bylaws

Indicate whether the company has attributed loyalty votes:

Sí No

Date of last change in share capital	Equity capital	Number of shares	Number of voting rights (not including additional votes attributed on the basis of loyalty)	Number of additional voting rights attributed corresponding to loyalty voting shares	Total number of voting rights, including additional votes attributed on the basis of loyalty
19/10/2023	655,226,883.74	74,968,751	74,968,751	0	74,968,751

Number of shares registered in the special share register pending completion of the loyalty period:

State whether there are different classes of shares associated with different rights:

Sí No

Class	Number of shares	Nominal unit price	Number of unit voting rights	Rights and obligations conferred

Remarks

A.2. Indicate the direct and indirect owners of significant shareholdings at the reporting date, including directors who have a significant shareholding:

Name or company name of the shareholder	% voting rights attached to the shares		% voting rights held via financial instruments		% total voting rights	Of the total no. of voting rights attributed to shares, specify, where applicable, the additional attributed votes corresponding to shares with loyalty votes	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	0	29,517%	0	0	29,517%		
STONESHIELD HOLDING S.À.R.L. ⁽¹⁾	0	25,002%	0	0	25,002%		
ADAR CAPITAL PARTNERS LTD ⁽²⁾	0	12,687%	0	1,875%	14,562%		

Remarks

(1) Pursuant to the notification of significant shareholdings of 29 August 2023, that is, prior to the reduction of the share capital of Neinor Homes, S.A. executed on 19 October 2023.

(2) Pursuant to the notification of significant shareholdings of 25 February 2022, that is, prior to the reductions of the share capital of Neinor Homes, S.A. executed on 30 May 2022, 22 July 2022 and 19 October 2023.

Detail of the indirect shareholding:

Indirect shareholder's name	Direct shareholder's name	% of voting rights associated with the shares (including loyalty votes)	% of voting rights held through financial instruments	% of total voting rights	Of the total no. of voting rights attributed to shares, specify, where applicable, the additional attributed votes corresponding to shares with loyalty vote
ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	PYXIS V LUX S.À R.L.	29,517%	0	29,517%	0
STONESHIELD HOLDING S.À.R.L.	STONESHIELD SOUTHERN REAL ESTATE HOLDING II S.À R.L.	25,002%	0	25,002%	0
ADAR CAPITAL PARTNERS LTD	ADAR MACRO FUND LTD	12,687%	1,875%	14,562%	0

Remarks

State any material changes in the shareholder structure arising during the year:

Shareholder's name	Transaction date	Description of the transaction
COLUMBIA THREADNEEDLE MANAGEMENT LIMITED	03/04/2023	Transfer and acquisition of voting rights. Reduction of the percentage of voting rights attributed to shares from 4.788% to 2.952% and increase of the percentage of voting rights through financial instruments from 0% to 0.032%.
STONESHIELD HOLDING S.À.R.L.	29/08/2023	Acquisition of voting rights. Increase in the percentage of voting rights attributed to shares from 22.668% to 25.002%.

A.3. Detail, regardless of the percentage, the ownership interest at the end of the reporting period of the members of the Board of Directors who are holders of voting rights attributed to shares of the company or through financial instruments, excluding directors identified in section A.2 above:

Name or company name of the director	% of voting rights associated with the shares (including loyalty votes)		% of voting rights held through financial instruments		% of total voting rights	Of the total % of voting rights attributed to shares, specify, where applicable, the % of additional attributed votes corresponding to shares with loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
SEGAL, ANDREAS	0.027%				0.027%		
GARCIA-EGOTXEAGA VERGARA, BORJA	0.060%				0.060%		
MORENÉS BOTÍN SANZ-DE SAUTUOLA, FELIPE	0.027%				0.027%		
BIRULÉS BERTRAN, ANNA M.		0.003%			0.003%		

% of total voting rights held by the board of directors 0.117%

Remarks

Details of indirect shareholdings:

Name or company name of the director	Name or company name of the direct owner	% of voting rights associated with the shares (including loyalty votes)	% of voting rights held through financial instruments	% of total voting rights	Of the total % of voting rights attributed to shares, specify, where applicable, the % of additional attributed votes corresponding to shares with loyalty vote
BIRULÉS BRETRAN, ANNA M.	ALTA BUSINESS SERVEIS, SL	0.003%		0.003%	

Remarks

Give details of the total percentage of voting rights represented on the Board:

Total % of voting rights represented on the Board of Directors	0.117%
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Remarks

A.4. Where appropriate, state any family, business, contractual or corporate relations existing between the owners of significant shareholdings, insofar as they may be known to the company, unless such relations are immaterial or are the result of ordinary business or trading activities, except for the relations reported in section **A.6** below:

Related party's name	Nature of relationship	Brief description

A.5. Where appropriate, state any business, contractual or corporate relations existing between the owners of significant shareholdings and the company and/or its group, unless such relations are immaterial or are the result of ordinary business or trading activities:

Related party's name	Nature of relationship	Brief description
ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	Contractual	<p>Neinor Homes, S.A. and Orion V European 24, S.á r.l., a company wholly owned indirectly by Orion European Real Estate Fund V S.L.P., have entered into an agreement to carry out, through a joint venture, residential real estate developments in Spain for build-to-sell.</p> <p>The joint venture is owned 90% and 10% by Orion and Neinor, respectively. In addition, Neinor acts as delivery partner manager, supervising project design, licensing, marketing and construction.</p>

A.6. Describe any relations, unless immaterial to both parties, existing between significant shareholders and/or shareholders represented on the board and the directors or their representatives in the case of legal entity directors.

Where appropriate, explain how significant shareholders are represented. Specifically, identify any directors appointed to represent significant shareholders, any directors appointed at the instigation of a significant shareholder, and any directors related with a significant shareholder and/or group entity, stating the nature of the relationship.

In particular, state the existence, identity and office held by any members of the board or

representatives of directors of the listed company who are, in turn, members of the boards of directors, or representatives of directors of any companies owning significant shareholdings in the listed company or in any entities belonging to such significant shareholders' business groups.

Related director's or representative's name	Related significant shareholder's name	Name of the significant shareholder's group entity	Description of relationship / office
AREF H. LAHHAM	ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	ORION CAPITAL MANAGERS, LLP	Proprietary Director
VAN J. STULTS	ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	ORION CAPITAL MANAGERS, LLP	Proprietary Director
JUAN JOSE PEPA	STONESHIELD HOLDING S.À.R.L.	STONESHIELD CAPITAL	Proprietary Director
FELIPE MORENÉS BOTÍN SANZ DE SAUTOLA	STONESHIELD HOLDING S.À.R.L.	STONESHIELD CAPITAL	Proprietary Director

Remarks

A.7. State whether the company has been notified of any shareholders' agreements affecting it pursuant to Articles 530 and 531 of the Capital Companies Law. Where appropriate, provide a brief description and list the shareholders bound by the agreement:

Sí No

■

Parties to the shareholders' agreement	% share capital affected	Brief description of the agreement	Termination date of the agreement, if any

Remarks
<p>The company periodically provides training on Good Governance and Compliance to the members of the Board, paying special attention to directors' duties and responsibilities.</p> <p>In addition, the Audit Committee reminds the Board of the regulatory obligations in the various matters addressed on the agenda, and when situations might arise that could give rise to doubts as to the existence of shareholders' agreements due to the existence and recurrence of concerted management between different shareholders, and the Chair of the Audit Committee asks about these issues and reminds the members of the Board of their duty to inform the company and the CNMV.</p>

State Whether the company has knowledge of any concerted action between shareholders, describe them briefly

Sí No

Parties to concerted action	% of share capital affected	Brief description of the concerted action	Termination date of the concerted action, if any

Remarks

State whether any shareholders' agreements or concerted actions were amended or broken off during the year, expressly indicated the arrangements concerned:

A.8. State whether there are any natural persons or legal entities who exert, or could exert, control over the company within the meaning of Article 5 of the Securities Market Law. Identify any such individuals or entities, where appropriate:

Sí No

Name of the individual or entity

Remarks

A.9. Complete the following tables with information about treasury shares held by the company:

At the reporting date:

Number of direct shares	Number of indirect shares (*)	% of total share capital
473,900		0.632%

Remarks

(*) Through:

Name of the direct owner of the shareholding	Number of direct shares
Total:	

Remarks

Explain any significant changes arising during the year:

Explain the significant changes
On 19 October 2023, a public deed was executed to reduce the share capital by 43,873,847.34 euros through the redemption of 5,019,891 treasury shares.

A.10. State the terms of the prevailing mandate granted by the General Shareholders Meeting authorizing the board of directors to issue, buy back or transfer treasury shares.

On 13 April 2022, the General Meeting of the Company authorised the Board of Directors to approve the following:

- 1) Increase the share capital under the terms and conditions of article 297.1.b) of the Capital Companies Act, for a maximum period of five years, with the power to exclude pre-emptive subscription rights up to the limit of 20% of the share capital as established in article 506 of the Capital Companies Act.
- 2) Issue bonds, debentures and other fixed-income securities exchangeable for and/or convertible into shares of the company, as well as warrants or other similar securities that may give the right, directly or indirectly, to subscribe or acquire shares in the company or other companies, whether or not belonging to its group, for a maximum period of five years and for an aggregate amount of 500,000,000 euros, as well as, where appropriate, the power to increase the share capital by the necessary amount with the power to exclude pre-emptive subscription rights up to a limit of 20% of the share capital and authorization for the company to guarantee fixed-income issues made by subsidiaries.

On 1 April 2020, the Annual General Meeting of the Company authorised the Board of Directors to approve the following items:

- 1) Derivative acquisition of treasury shares directly or through group companies and for the disposal thereof.
 - Forms of acquisition: acquisition by purchase, by any other "intervivos" act for valuable consideration or any other form permitted by law, including against profits for the year and/or unrestricted reserves.
 - Maximum number of shares to be acquired: acquisitions may be made at any time, once or several times, provided that the own shares acquired, added to those already held by the company, do not exceed the maximum figure permitted by law.
 - Price: the price or countervalue will range between (i) a minimum amount equivalent to the lower of the nominal value and the listed price on the Continuous Market at the time of acquisition reduced by 30%, and (ii) a maximum amount equivalent to the listed price on the Continuous Market at the time of acquisition increased by 30%.
 - Duration of the authorisation: five years from the date of the agreement.

The shares acquired may be used for disposal or redemption, for potential corporate or business transactions, or for delivery of the shares directly to the employees or directors of the company, or as a result of the exercise of option rights held by them, in accordance with the provisions of the third paragraph of section 1.a) of article 146 of the Capital Companies Act.

A.11. Estimated free float

Estimated free float	%
	30.17 %

Remarks

A.12. State whether there are any statutory, legislative or other restrictions on the transferability of securities and/or any restrictions on voting rights. In particular, you should report the existence of any kind of restrictions that could hinder or prevent a takeover of the company by means of the acquisition of shares in the market, as well as any requirements established under applicable industry regulations for prior authorization or notification of the acquisition or transfer of financial instruments issued by the company.

Sí

No

Description of restrictions

A.13. State whether the General Shareholders Meeting has resolved to adopt any anti-takeover measures in accordance with Spanish Law 6/2007.

 Sí No

Where appropriate, explain the measures approved and the conditions under which the resulting restrictions would be lifted:

Explain the measures approved and the conditions under which they would be lifted

A.14. State whether the company has issued any securities that are not traded on a regulated market in the European Union.

 Sí No

Where appropriate, list the different classes of shares and the rights and obligations conferred by each class of share.

List the different classes of shares

B GENERAL MEETING

B.1. Indicate and, where applicable, detail, if there are differences with the minimum regime established in the Capital Companies Law with respect to the quorum for the constitution of the general meeting.

Sí No

	Different % quorum to that established in Art. 193, CCL for general assumptions	Different % quorum to that established in Art. 194, CCL for the special cases of the art. 194 LSC
Quorum required on first call		
Quorum required on second call		
Description of differences		

B.2. State whether there are any differences with the system for the adoption of corporate resolutions established under the Capital Companies Law, and describe said differences where appropriate:

Sí No

Describe any differences with the Capital Companies Law

% established by the entity for the adoption of resolutions	Different qualified majority from Art. 201.2 for the cases mentioned in Art. 194.1 of the Limited Companies Act	Other cases requiring qualified majorities
		66%
Description of differences		
<p>Article 17.4 of the Regulations of the Board of Directors states that: Except where the law or the Articles of Association specifically establish other voting rules, resolutions shall be adopted by absolute majority of the directors present at the meeting. In particular, the appointment, removal and agreements to terminate of CEOs, as well as the previous approval of contracts to be entered into between the Company and directors who are given executive functions will require the favorable vote of at least two thirds of the members of the Board, with the abstention, where applicable, of the affected director. In the event of a tie, the Chairman will not have a casting vote.</p> <p>The Capital Companies Law indicates that a majority vote is sufficient for the appointment or removal of the Chief Executive Officers.</p>		

B.3. State the rules applicable to amendment of the company's bylaws. In particular, you should report the majorities required and, where appropriate, the rules established for the protection of shareholders' rights in the event of amendment of the bylaws.

In accordance with Article 28.1 of the bylaws, a separate vote must be held for the amendment of each article or group of articles of the bylaws, even where such amendments are included in the same point on the agenda for the meeting.

Article 30 of the Regulations for the General Shareholders Meeting requires an absolute majority of the votes cast to amend the Bylaws where the shares present or represented by proxy exceed 50% of total share capital, or two thirds of shares present or represented by proxy when the shareholders present or represented by proxy at second call hold 25% or more of total subscribed capital with voting rights but less than 50%.

B.4. Provide figures for attendance at the general meetings held during the year referred to in this report and in the prior year:

Date of general meeting	Attendance figures				Total
	% physical attendance	% attendance by proxy	% remote votes cast		
			Electronic votes	Other	
13/04/2022	29.6358%	57.9643%			87.6001%
20/04/2023	0.5152%	78.1039%			78.6191%
01/09/2023	25.3103%	51.226%			76.5363 %
Of which floating capital:					8.78%

B.5. State whether there were any motions proposed in the agenda for the general meetings held during the year that were not approved by the shareholders for any reason.

 Sí

 No

Motions not approved	% votes against (*)

(*) Where any motion was not approved for reasons other than a majority of votes against, the explanation should be included in the text field, and the remark "n/a" should be entered in the column headed "% votes against".

B.6. State whether there are any statutory restrictions establishing a minimum number of shares needed to attend general meetings, or to vote remotely:

 Sí

 No

Number of shares needed to attend general meetings	
Number of shares needed for remote voting	

Remarks

B.7. State whether the bylaws require that decisions regarding the acquisition, disposal or assignment to any other company of core assets, or any other similar corporate transactions, must be submitted for approval by the shareholders at their general meeting, other than in the cases established by Law.

Sí

No

Decisions that must be submitted for approval by the General Shareholders Meeting, other than as required by Law

B.8. State the internet address and means of access to the company webpage containing corporate governance and other information concerning general meetings which must be made available to the shareholders online via the corporate website.

The address where the corporate governance information is posted online is <https://www.neinorhomes.com/en/accionistas-inversores/>

<https://www.neinorhomes.com/en/responsible-business-and-innovation/corporate-governance/>

C CORPORATE MANAGEMENT STRUCTURE
C.1 Board of directors

C.1.1. Maximum and minimum number of directors allowed under the bylaws and number of directors established by the General Shareholders Meeting.

Maximum number of directors	15
Minimum number of directors	5
Number of directors established by the general meeting	9

Remarks

C.1.2. Complete the following table with information about the board members:

Director's name	Representative	Category of director	Office	Date of first appointment	Date of last appointment	Selection procedure	Date of birth
Ricardo Martí Fluxá		Independent	President	08/03/2017	20/04/2023	Re-election by the General Meeting of Shareholders	08/09/1950
Anna M. Birulés Bertrán		Independent	Vocal	08/03/2017	20/04/2023	Re-election by the General Meeting of Shareholders	28/06/1954
Alfonso Rodés Vilà		Independent	Vocal	08/03/2017	20/04/2023	Re-election by the General Meeting of Shareholders	09/08/1961
Juan José Pepa		Proprietary	Vocal	13/04/2022	13/04/2022	Appointment by the General Meeting of Shareholders	18/02/1978
Andreas Segal		Independent	Vocal	27/02/2019	13/04/2022	Re-election by the General Meeting of Shareholders	30/08/1969
Van J. Stults		Proprietary	Vocal	22/10/2019	20/04/2023	Re-election by the General Meeting of Shareholders	30/09/1954
Felipe Morenés Botín Sanz-de Sautuola		Proprietary	Vocal	14/05/2015	20/04/2023	Re-election by the General Meeting of Shareholders	13/02/1986
Aref H. Lahham		Proprietary	Vocal	12/12/2019	20/04/2023	Re-election by the General Meeting of Shareholders	15/02/1965
Borja García-Egotxeaga Vergara		Executive	CEO	08/04/2019	20/04/2023	Re-election by the General Meeting of Shareholders	23/11/1967

Total number of directors	9
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Indicate any exits from the board of directors during the reporting period, whether due to resignation or by resolution of the general shareholders' meeting:

Director's name	Category of director upon leaving office	Date of last appointment	Leaving date	Membership of any specialist committees	State whether the director served the full term of office

Cause of exit, if before the end of the term of office and other remarks; information on whether the director has sent a letter to the other members of the Board and, in the case of the exit of non-executive directors, explanation or opinion of the director who has been removed by the General Shareholders' Meeting

C.1.3. Complete the following tables with information about the members of the board and the different categories of director:

EXECUTIVE DIRECTORS

Director's name	Office held in the company's organization chart	Profile
Borja García-Egoitzeaga Vergara	Chief Executive Officer	<p>Borja has extensive experience in the field of residential development, project management in real estate and industrial sector and strategic business planning.</p> <p>In June 2016 he joined Neinor Homes as Technical Director of the Northern area, from the developer company Construcciones Gerrickabeitia where he carried out technical management and construction tasks for the group's developments, urban management, land acquisition and sale, planning and general business supervision.</p> <p>Previously, during his first professional stage he was linked to the industrial world in the company Befesa Zinc part of Abengoa Group, where he led the continuous improvement of processes and the environmental situation of the company as Deputy Production and Technical Director, also being responsible for external relations, various management systems and benchmarking with other group factories distributed throughout Europe.</p> <p>He has also been member of the board of directors of companies such as Abengoa, Sondika Zinc and Zindes and collaborator of Aclima and Eurometaux based in Brussels.</p> <p>After graduating from a High School in the USA, Borja studied Industrial Engineering at the Higher School of Industrial Engineers of Bilbao and holds a master's degree in business administration INSIDE from the University of Deusto.</p>

Total number of executive directors	1
% of total board	11.11%

Remarks

EXTERNAL PROPRIETARY DIRECTORS

Director's name	Name of the significant shareholder represented or who proposed the director's appointment	Profile
Aref H. Lahham	Pyxis V Lux S.À.R.L. (Orion)	<p>Aref H. Lahham is Chief Executive and Founding Partner of Orion Capital Managers and is a member of the Firm's Investment Committee. Based in Orion's London offices, he serves as Orion's Chief Investment Officer, setting strategy and leading Orion's acquisition team and investment activities, as well as directing asset management activities in a significant number of Orion's investments.</p> <p>Mr. Lahham has 37 years of experience in real estate investment and development in the United States and Europe. Prior to forming Orion in 1999, he was a Managing Director of LaSalle Partners, which he joined in 1992 and directed its operations and investment activities in France.</p> <p>Before working for LaSalle Partners, Mr. Lahham was a Project Manager for SEGECE (a subsidiary of BNP group), a French shopping center developer based in Paris. Previously, Mr. Lahham was an International Project Manager and Design Engineer in New York with the structural engineering consulting Leslie E. Robertson Associates.</p> <p>Previously, he was also a member of the Board of Directors and the Strategic Committee of the French listed real estate company, Société Foncière Lyonnaise.</p> <p>Mr. Lahham holds a B.Sc. in Civil Engineering from Purdue University, an M.Sc. in Civil Engineering from Cornell University where he served on the Board of the School of Engineering, and an MBA from INSEAD.</p>
Van J. Stults	Pyxis V Lux S.À.R.L. (Orion)	<p>Mr. Van J. Stults is a Managing Director and a Founding Partner of Orion Capital Managers and is a member of the Firm's Investment Committee.</p> <p>Mr. Stults has 44 years of experience in real estate investment management. Prior to forming Orion in 1999, Mr. Stults was a member of the Board of Directors of LaSalle Partners (now "JLL"), Managing Director, member of the Operating Committee and head of European investment activities.</p> <p>Mr. Stults joined LaSalle Partners in 1984. Prior to LaSalle Partners, he was Assistant Treasurer of Lane Industries, a privately held U.S. family owned conglomerate, and prior to Lane Industries, he was Commercial Banking Officer at the First National Bank of Chicago.</p>

		<p>Mr. Stults is a member of the Pension Real Estate Association and is a Global Governing Trustee of the Urban Land Institute. Mr. Stults holds a bachelor's degree in economics from Claremont McKenna College and MBA in finance and accounting from the University of Chicago Booth School of Business.</p>
Felipe Morenés Botín Sanz-de Sautuola	Stoneshield Southern Real Estate Holding II, S.à r.l. (Stoneshield)	<p>Felipe Morenés Botín-Sanz de Sautuola is a founding partner of Stoneshield Capital. Previously, he was a director at Lone Star, where he was involved in the fund's investment operations in Europe. Since 2013, he was responsible for the analysis, structuring and supervision of several debt and equity investments. Prior to joining Lone Star, he spent 5 years as an Associate Director at UBS Investment Banking and UBS Credit Structuring Desk in London. During his experience at UBS, he advised on M&A, capital raising and structured finance transactions for banks and hedge funds.</p> <p>Mr. Morenés holds a BA in Political Science and Economics from Georgetown University.</p>
Juan José Pepa	Stoneshield Southern Real Estate Holding II, S.à r.l. (Stoneshield)	<p>Juan Pepa is one of the two founding partners of Stoneshield Investment Funds and currently serves as co-head of the firm.</p> <p>Previously, he worked at Lone Star Funds (from 2008 to 2017) where he was appointed partner and responsible for sourcing, underwriting Real Estate, structuring; also having ongoing oversight of over €10 billion in real estate asset and debt investments across Europe.</p> <p>During this time, Juan was involved in multiple investments in various asset classes such as office, retail, hotel, residential and industrial assets located in several countries including Spain, Germany, UK, Netherlands, France, Belgium and Switzerland. In addition, during his last years at Lone Star, he led the firm's investment in Spain and Portugal.</p> <p>Prior to joining Lone Star, Juan worked in Citigroup's global special situations team.</p> <p>Juan is a graduate of the Universidad de San Andrés (Buenos Aires) and holds an MBA from Babson College in Massachusetts.</p>

Total number of proprietary directors	4
% of total board	44.44%

Remarks

INDEPENDENT EXTERNAL DIRECTORS

Director's name	Profile
Ricardo Martí Fluxá	<p>Mr. Martí Fluxa is Chairman of the Spanish Association of Real Estate Consulting Companies (ACI), of the Spanish Association of Defense, Security, Aeronautics and Space Technologies (TEDAE) and Member of the Board of Directors of Liteyca.</p> <p>He was Secretary of State for Security in the Spanish Government from 1996 to 2000. As a member of the Spanish Diplomatic Career, he held various posts abroad and finally that of Head of Protocol and Activities of His Majesty King's Household.</p> <p>In the private sector, he was, among other positions, Chairman of Industria de Turbo Propulsores, S.A. (ITP), Chairman of Marco Polo Investments, Member of the Board of Directors of Grupo Tomás Pascual, Member of the Advisory Board of the investment bank Arcano Capital, Member of the Board of Directors of Ibersecurities, Member of the Board of Directors of the technology firm IKUSI and member of the Executive Committee and Chairman of the Remuneration Committee of Caja de Ahorros y Monte de Piedad de Navarra. He has also been member of the Governing Board and Secretary of the Fundación Pro Real Academia Española and Chairman of the Royal Board of Trustees of the Museo Nacional Centro de Arte Reina Sofía.</p> <p>He is currently Chairman of the Tomás Pascual Institute for Nutrition and Health, Chairman of the Ankaria Foundation and a member of the Board of Trustees of the Juan March Foundation.</p> <p>Mr. Martí Fluxá holds a law degree from Universidad Complutense de Madrid, studied at the Diplomatic School and is a member of the Madrid Bar Association.</p>
Anna M. Birulés Bertrán	<p>Ms. Birulés is Vice Chairwoman, Independent Director, Chairwoman of the Audit Committee and member of the Executive and Investment Committee of Grupo Pelayo, Mutua de Seguros y Reaseguros a Prima Fija. She is also an Independent Director, Chairwoman of the Compensation and Nominating Committee and member of the Audit and Risk Committee of Banco Mediolanum, and Chairwoman, Independent Director, Chairwoman of the Audit Committee and member of the Compensation and Nominating Committee of Enerside Energy.</p> <p>She has also been Chairwoman of the Audit Committee at Banco Mediolanum, stepping down as Chairwoman due to the expiry of her term of office. She is a member of several corporate advisory boards.</p> <p>At Neinor Homes, after stepping down as Chairwoman of the Audit Committee due to the expiry of her term of office, she was re-appointed Chairwoman of the Audit Committee this year.</p> <p>She is former Minister of Science and Technology of the Spanish Government, former General Secretary of Banco Sabadell and former Vice President of Renta Corporación. With a Ph.D. in Economic Sciences, she began her professional activity in the Department of Industry and Energy of the Generalitat of Catalonia and was General Director of the Information and Business Development Center (CIDEM), as well as President of the Consortium for the Commercial Promotion of Catalonia (COPCA). She was CEO of Retevisión (now owned by Cellnex and Vodafone groups), from where she led the expansion process of the telecommunications operator and its subsidiaries (now owned by Orange).</p> <p>She has been Director of companies from various sectors and geographies. She is a member of the Circle of the Entrepreneurs and the Business Circle. She is closely related to the leading Business Schools; IESE of which she chairs Finaves, the international center to fostering initiatives through seed capital, and Esade, of which she is member of its Professional Advisory Board.</p>

Andreas Segal	<p>Mr. Segal has over 23 years of experience in the Real Estate sector. He is currently a Director of Kojamo plc, Helsinki, the largest private residential real estate investment company in Finland.</p> <p>He was a member of the Board of Directors of several listed companies in this sector, among others, Buwog Group, Bonova S.A., Deutsche Wohnen and GSW Immobilien.</p> <p>Mr. Segal holds a bachelor's degree in business economics from University of Berlin FU (Germany) and a Law Degree. He also has an Advanced Management Program (AMP) from Harvard Business School (Boston, USA).</p>
Alfonso Rodés Vilà	<p>Mr. Rodés is the President of Havas Group Media, President of Havas Group Spain and Director of Havas S.A., a multinational media company which is part of the Vivendi Group and has over EUR 4 billion of market capitalization.</p> <p>Previously, Mr. Rodés was CEO of Media Planning Group ("MPG"). MPG was a company controlled by the Rodés family that merged with Havas in 2001. Mr. Rodés joined MPG in 1996 as Head of Corporate Development, from where he led the group's expansion into Latin America, North America and Asia. He previously developed his professional career in private banking. Mr. Rodés is a Director of Havas S.A. since June 19, 2012. Additionally, he participates in other boards of investment vehicles controlled by the Rodés family.</p>

Total number of independent directors	4
% of total board	44.44%

Remarks

State whether any director categorized as an independent receives any moneys or benefits from the company or its group in respect of any item other than director's remuneration, or maintains, or in the last year maintained, any business relationship with the company or with any company forming part of its group, either on their own behalf or as a significant shareholder, director or senior executive of an entity maintaining, or which may in the past have maintained, any such relationship.

Where appropriate, include a reasoned statement from the board stating the reasons why it considers that the director concerned can nevertheless discharge his/her functions as an independent director.

Director's name	Description of the relationship	Reasoned statement

OTHER EXTERNAL DIRECTORS

Identify any other external directors and state the reasons why they should not be considered either proprietary or independent directors, as well as their links with the company, its management, or its shareholders:

Director's name	Reasons	Company, executive or shareholder with whom the director is related	Profile

Total other external directors	
% of total board	

Remarks

Indicate any changes arising in the category of each director over the period, where applicable:

Director's name	Date of change	Previous category	Current category

Remarks

C.1.4. Complete the following table with information about the number of female directors at the close of each of the last four years, and the category of the directors concerned:

	Number of female directors				% of total directors in each category			
	2023	2022	2021	2020	2023	2022	2021	2020
Executive	0	0	0	0	0%	0%	0%	0%
Proprietary	0	0	0	0	0%	0%	0%	0%
Independent	1	1	1	1	25%	25%	20%	25%
Other external	0	0	0	0	0%	0%	0%	0%
Total:	1	1	1	1	11.1%	11.1%	11.1%	11.1%

Remarks

C.1.5. State whether the company has diversity policies for the board of directors in relation to issues such as age, gender, disability, and professional qualifications and expertise. In accordance with the definition established in the Spanish Audit Act, small and medium-sized enterprises should report at least on the policy established in relation to gender diversity.

Sí No

If yes, describe the diversity policies, their objectives, the measures implemented and the manner in which they were applied, and the results obtained in the year. You should also indicate the specific measures adopted by the board of directors and the appointments and Remunerations Committee to ensure a balanced and diverse make-up of directors.

If the company does not apply a diversity policy, explain the reasons why not.

Description of the policies, objectives, measures and how they have been implemented, and the results achieved.

The company approved a director selection policy in 2017, which was updated and approved by the Board again on May 10, 2022, which establishes that diversity of knowledge, experience, age and gender will be favoured. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

A clear equal opportunities policy is adhered to for the avoidance of any kind of discrimination based on gender. Gender is not considered to be grounds for selection under any circumstances, and this also applies to the appointment of directors.

Diversity is understood in its broadest sense, covering, by way of example and not exhaustively, aspects such as age, nationality, gender, disability and professional experience and training.

In addition, Neinor Homes, in compliance with the Capital Companies Act, in the search for candidates to fill new vacancies, shall favour the diversity of gender, experience, age and knowledge of its directors and shall ensure that there are no implicit biases that may entail any type of discrimination, especially that may hinder the selection of female directors. In this regard, Neinor Homes is aware of the content of recommendation 15 of the Code of Good Governance with regard to the recommended percentage of female directors, which will be duly taken into account with regard to future appointments of new directors or the filling of vacancies on the Board of Directors that may arise.

To this end, Neinor Homes shall ensure that there are sufficient candidates in the market that comply with gender diversity, in addition to functional and nationality diversity, and shall endeavour to ensure that, as far as possible, the Company has a significant number of female senior managers. These criteria shall be carried out in the selection process and compliance with them shall contribute to the efficiency of the Board of Directors' decision-making.

During the financial year, it was not considered necessary to replace or appoint new directors to deliberately incorporate people who could improve the board's gender balance. This increased balance shall be considered by the Board in the event of the departure or replacement of any of its independent or executive members.

In the 2023 financial year, there has been no resignation from the Board, so the company has not had the opportunity to incorporate a female director to the Board.

The Company is closely monitoring the approval process of the Draft Bill of the Parity Law and will establish the necessary measures for its compliance.

In addition, among other measures considered in the Company with the aim of improving the under-representation of women in management positions, the Company has been implementing for some years now various measures that encourage greater parity and opportunities to achieve greater representation of women in management positions, which, in summary, are as follows:

- Objective, independent recruitment and internal promotion processes based on merit and experience.
- Observance of the results of the work being carried out in the implementation of the Equality Plan (Equality Plan, negotiated and agreed with the social partners in the 2023 financial year).
- Reconciliation measures that in general terms are superior to those offered in the labour market.

The policy is available at: <https://www.neinorhomes.com/en/responsible-business-and-innovation/corporate-governance/director-selection-policy/>

C.1.6. Explain any measures adopted by the appointments committee, where applicable, to ensure that selection procedures are free of any bias which might hinder the selection of female directors, and that the company deliberately seeks and includes women meeting the professional profile sought among potential candidates to ensure that it achieves a balanced make-up between women and men. Also indicate whether these measures include encouraging the company to have a significant number of senior managers:

Explanation of the measures

The company approved a director selection policy in 2017, which was updated and approved by the Board again on May 10, 2022, which establishes that diversity of knowledge, experience, age and gender will be favoured. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

A clear equal opportunities policy is adhered to for the avoidance of any kind of discrimination based on gender. Gender is not considered to be grounds for selection under any circumstances, and this also applies to the appointment of directors.

Diversity is understood in its broadest sense, covering, by way of example and not exhaustively, aspects such as age, nationality, gender, disability and professional experience and training.

In addition, Neinor Homes, in compliance with the Capital Companies Act, in the search for candidates to fill new vacancies, shall favour the diversity of gender, experience, age and knowledge of its directors and shall ensure that there are no implicit biases that may entail any type of discrimination, especially that may hinder the selection of female directors. In this regard, Neinor Homes is aware of the content of recommendation 15 of the Code of Good Governance with regard to the recommended percentage of female directors, which will be duly taken into account with regard to future appointments of new directors or the filling of vacancies on the Board of Directors that may arise.

To this end, Neinor Homes shall ensure that there are sufficient candidates in the market that comply with gender diversity, in addition to functional and nationality diversity, and shall endeavour to ensure that, as far as possible, the Company has a significant number of female senior managers. These criteria shall be carried out in the selection process and compliance with them shall contribute to the efficiency of the Board of Directors' decision-making.

The Appointments and Remuneration Committee (ARC) oversees the implementation of the diversity policy in the appointment of the Directors. In this regard, care was taken to ensure the inclusion of women among the candidates and at least one woman among the board members.

In compliance with the provisions of the Board Regulations, the selection policy and the group's code of conduct, the ARC includes women with the appropriate professional experience among the potential candidates and ensures that there is no implicit bias in the selection procedures that might hinder the selection of female directors.

In the case of a new appointment (independent or executive director, in the event of a balance of skills, knowledge and abilities between two applicants, the female gender will be given priority in the selection process with the aim of achieving greater parity on the Board.

New appointments will arise as a result of the departure of existing board members. The company is not currently planning to increase the number of directors as this number is appropriate for the size of the company and its effective and efficient management, as described in the various evaluations of the functioning of the Board and its committees carried out internally or by an independent third party of recognised standing.

The Company is closely monitoring the approval process of the Draft Bill of the Parity Law and will establish the necessary measures for its compliance.

In addition, among other measures considered in the Company with the aim of improving the under-representation of women in management positions, the Company has been implementing for some years now various measures that encourage greater parity and opportunities to achieve greater representation of women in management positions, which, in summary, are as follows:

- Objective, independent recruitment and internal promotion processes based on merit and experience.
- Observance of the results of the work being carried out in the implementation of the Equality Plan (Equality Plan, negotiated and agreed with the social partners in the 2023 financial year).
- Reconciliation measures that in general terms are superior to those offered in the labour market.

The policy is available at: <https://www.neinorhomes.com/en/responsible-business-and-innovation/corporate-governance/director-selection-policy/>

Where there are few or no female directors despite the measures adopted, where applicable, explain the reasons for this circumstance:

Explanation of reasons
The Board has, except for gender, a wide diversity of directors and its number is considered adequate for the size of the company and for its effective and efficient management.
The company does not consider it appropriate to resort to a termination of a highly qualified and experienced current Board member in order to reduce the current gender gap on the Board.
With a view to future appointments, female applicants should always be considered and, if they are equally qualified, they should be selected with a view to obtaining the representation required by the good governance recommendations.

C.1.7. Explain the appointments committee's findings on its verification of compliance with policy aimed at promoting an appropriate composition of the board of directors.

The Appointments and Remuneration Committee has not reached any conclusions regarding compliance with the selection policy insofar as:

- (i) In the financial year 2023, no new directors of any kind were appointed, so no selection process was carried out in which the selection policy could be applied.

On the removal of any independent director, the Appointments and Remuneration Committee is assisted in the process of searching for and selecting a replacement by an external specialised professional firm, which always includes in its instructions that the profile sought must comply exhaustively with the director selection policy.

C.1.8. Where appropriate, explain the reasons why any proprietary directors were appointed at the proposal of shareholders owning less than 3% of capital:

Shareholder's name	Reason for appointment

State whether the company has refused any formal requests for seats on the board made by shareholders holding interests in share capital equal to or greater than the holdings of other shareholders at whose request proprietary directors were appointed. Where appropriate, explain the reasons why these requests were turned down:

Sí

No

Shareholder's name	Explanation

C.1.9. Indicate the powers and authorizations, if any, including those relating to the possibility of issuing or repurchasing shares, delegated by the Board of Directors to directors or to any of the Board committees:

Director's name	Brief description
Borja García-Egotxeaga Vergara	The CEO has been delegated all the powers of the Board except those that cannot be delegated by law or by the company's bylaws (in particular, the power to acquire land).

C.1.10. Where appropriate, list any board members who also hold office as directors or executive positions in other companies forming part of the listed company's group:

Director's name	Group entity's name	Office	Executive functions?
Borja García-Egotxeaga Vergara	NEINOR NORTE, S.L.U. NEINOR PENÍNSULA, S.L.U. NEINOR SUR, S.A.U. RENTAL HOMES PROPCO, S.L.U. NEINOR RENTAL OPCO, S.L.U. NEINOR SARDES RENTAL, S.L.U. QUABIT PALMACES, S.L.U. QUABIT SURESTE, S.L.U. QUABIT REMATE, S.L.U. QUABIT AGUAS VIVAS, S.L.U. GLOBAL QUABIT SUR, S.L.U. QUABIT CASARES GOLF RP5, S.L.U. IBER ACTIVOS INMOBILIARIOS, S.L. PARQUE LAS CAÑAS, S.L.U. QUABIT COMUNIDADES, S.L. QUABIT INMOBILIARIA INTERNACIONAL, S.L. RENTAL HOMES NX PROPCO, S.L.U. EUROPA RENTAL HOMES PROPCO, S.L.U. RENTAL HOMES HOLDCO, S.L.U.	Sole Director	Yes
Borja García-Egotxeaga Vergara	PROMOCIONES NEINOR 3, S.L.U. NEINOR WORKS, S.L.U. PROMOCIONES NEINOR 5, S.L.U.	Joint Director	Yes
Borja García-Egotxeaga Vergara	ALBORAYA MARINA NOVA, S.L.	Natural person representative of Director	Yes
Borja García-Egotxeaga Vergara	PROGRAMAS ACTUACION BALEARES, S.L.	Individual representative of Joint Administrator	Yes
Borja García-Egotxeaga Vergara	QUABIT CONSTRUCCIÓN, S.A.	Director	Yes

Remarks

C.1.11. Give details of any positions of director, administrator or executive, or representatives thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether they are listed companies:

Identification of the director or representative	Company name of the entity, whether listed or unlisted	Office
Anna M. Birulés Bertrán	Banco Mediolanum	Independent Director
Anna M. Birulés Bertrán	Pelayo Mutua de seguros y Reaseguros a prima fija	Vice Chairwoman Independent Director
Anna M. Birulés Bertrán	Enerside Energy	Chairwoman Independent Director
Anna M. Birulés Bertrán	Finaves V apoyo start-ups alumni S.L.	Chairwoman Independent Director
Andreas Segal	Kojamo Oyj	Independent Director
Andreas Segal	ASSK GmbH	Managing Director
Ricardo Martí Fluxá	Asociación de Empresas de Consultoría Inmobiliaria (ACI)	President
Ricardo Martí Fluxá	Asociación Española de empresas tecnológicas de Defensa, Seguridad y Espacio (TEDAE)	President
Ricardo Martí Fluxá	Liteyca	Director
Ricardo Martí Fluxá	Instituto Tomás Pascual para la nutrición y la salud	Chairman
Ricardo Martí Fluxá	Accuracy	Member of the Advisory Board
Alfonso Rodés Vilà	Havas	Administrator
Alfonso Rodés Vilà	Havas Media Group USA LLC (États-Unis)	President
Alfonso Rodés Vilà	Media Planning International Corporation (États-Unis)	President
Alfonso Rodés Vilà	Arena Media SRL (Italie)	President and Director
Alfonso Rodés Vilà	Havas Media SRL (Italie)	President and Director
Alfonso Rodés Vilà	Havas Media Middle East FZ LLC (Dubai)	Director
Alfonso Rodés Vilà	Havas Media Peru SAC	Director
Alfonso Rodés Vilà	Arena Media Peru SAC	Director
Alfonso Rodés Vilà	Havas+ SAC Peru	Director
Alfonso Rodés Vilà	Havas Management Portugal, Unipersoal Lda	Director
Alfonso Rodés Vilà	Cake Media Ltd. (UK)	Director
Alfonso Rodés Vilà	Media Planning International Corporation (USA)	Director
Alfonso Rodés Vilà	Havas Media South Africa (Pty) Ltd (Sudáfrica)	Director
Alfonso Rodés Vilà	Havas Media India Private Limited (India)	Director
Alfonso Rodés Vilà	Arena India Private Limited (India)	Director
Alfonso Rodés Vilà	Media Advisors SA (Espagne)	Co-Administrator
Alfonso Rodés Vilà	Arena Media Communications España SA	President
Alfonso Rodés Vilà	Havas Media Group Spain SA	President
Alfonso Rodés Vilà	Havas Media Regiones SA de CV (México)	President
Alfonso Rodés Vilà	Havas Management España SL	Director
Alfonso Rodés Vilà	Havas Media Group Spain SA	Chief Executive Officer
Alfonso Rodés Vilà	Arena Communications SA de CV (Mexique)	Chief Executive Officer
Alfonso Rodés Vilà	Arena Media SA de CV (Mexique)	President
Alfonso Rodés Vilà	Havas+ SA de CV (Mexique)	Chief Executive Officer
Alfonso Rodés Vilà	Havas Media Group USA	Manager
Alfonso Rodés Vilà	Havas Media Kuala Lumpur, SDN BHD	Manager

Alfonso Rodés Vilà	Havas Costa Rica SA	Secretary
Alfonso Rodés Vilà	Fusión de Producción Digital SA (Costa Rica)	Secretary
Alfonso Rodés Vilà	Promótica de Costa Rica, SA	Secretary
Alfonso Rodés Vilà	Arena Media, SA (Costa Rica)	Secretary
Alfonso Rodés Vilà	Inversiones y Servicios Publicitarios, S.L.	Director
Alfonso Rodés Vilà	Acacia ISP, S.L.	Joint administrator
Alfonso Rodés Vilà	Gestora de Viviendas, S.A.	Joint administrator
Alfonso Rodés Vilà	Metrópolis	Director
Alfonso Rodés Vilà	In-Store Media Group S.A.	Director
Alfonso Rodés Vilà	In-Store Media Mexico S.A. de C.V.	Director
Alfonso Rodés Vilà	Cala Thunder S.L.	Joint administrator
Alfonso Rodés Vilà	Mesigual 2020 S.L.	Director

Remarks

Indicate, if applicable, any other remunerated activities of the directors or representatives of directors, whatever their nature, other than those indicated in the above table.

Identification of the director or representative	Other remunerated activities

Remarks

C.1.12. State whether the company has established any rules with regard to the maximum number of company boards on which its directors may hold seats, and where appropriate explain such rules, indicating where such they are established:

 Sí

 No

Explanation of rules and identification of the document establishing the same
In accordance with the Board's Regulations, the directors may not hold seats on more than four boards of other listed companies (aside from the company itself).

C.1.13. State the total amounts paid out in respect of the following directors' remuneration items:

Remuneration accruing to the Board of Directors during the year (thousands of euros)	2,462
Amount of funds accumulated by current directors through long-term savings schemes with vested economic rights (thousands of euros)	N/A
Amount of funds accumulated by current directors for long-term savings schemes with non-vested economic rights (thousands of euros)	N/A
Amount of funds accumulated by former directors through long-term savings schemes (thousands of euros)	N/A

Remarks

The amount shown in the table above is the total remuneration accrued by the members of the board in financial year 2023 including the gross salary accrued and the diems for attendance at meetings of the Board and its Committees and for the executive director is his gross salary, the bonus accrued in 2023 and paid in February 2024, and the new MIP (in the course of financial year 2023 a medium-term incentive plan has come into force which has a duration of three years and which is explained in detail in section B.7 of the IAR).

Given that in all previous years the criterion of taking as the amount the amounts actually collected in the year has been considered, when a change of criterion occurred following the instructions and indications for the completion of this report and of the CNMV, the amounts accrued in previous years for the different retention plans, which at the date of last year's report had not materialised, therefore, as of this year, we will be reported as they are collected, so that no information is lost in this way.

In view of the above, in addition to the accrual in 2023 for the executive director, we must report that the collection has materialised during 2023 through shares, for the achievement of LTIP objectives (2020-2022), explained in section B.7 of the IAR, for a total amount of 771 thousand euros.

C.1.14. Identify any senior managers who are not also executive directors, and state the total remuneration earned by the same during year:

Name or company name	Office
Jordi Argemí García	Deputy CEO and CFO
Jorge Pepa	Vice-President
Mario Lapiedra Vivanco	Chief Investment Officer
Gabriel Sánchez Cassinello	Chief Business Officer
Fernando Hernanz de Dueñas	Chief Operating Officer
Álvaro Conde Herranz	Head of GRC, Internal Audit and Sustainability

Number of women in senior management	0
Percentage over total number of senior managers	0%

Total remuneration of senior management (in thousands of euros)

6,581

Remarks

The amount shown in the table above is the total remuneration accrued by Senior Management in financial year 2023 including the gross salary accrued, the bonus accrued in 2023 and paid in February 2024, and the new MIP (in the course of financial year 2023 a medium-term incentive plan has come into force which has a duration of three years and which is explained in detail in section B.7 of the IAR).

Given that in all previous years the criterion of taking as the amount the amounts actually collected in the year has been considered, when a change of criterion occurred following the instructions and indications for the completion of this report and of the CNMV, the amounts accrued in previous years for the different retention plans, which at the date of last year's report had not materialised, will be reported as they are collected, so that no information is lost in this way.

In view of the above, in addition to the accrual in 2023 for Senior Management, we must report that the collection has materialised during 2023 through shares, for the achievement of LTIP objectives (2020-2022), explained in section B.7 of the IAR, for a total amount of 2,002 thousand euros.

C.1.15. State whether there have been any changes in the board's regulation during the year:

 Sí No**Description of changes**

C.1.16. Explain the procedures in place for the selection, appointment, re-election and removal of directors. Indicate the competent bodies, the procedural steps involved and the criteria applicable to each procedure.

Selection:

The company has approved a Directors Selection Policy, which sets out the selection procedure. In accordance with this policy, the selection process shall be based on a prior analysis of the Company's needs by the Board of Directors assisted by the Appointments and Remunerations Committee. The Appointments and Remunerations Committee shall define the candidates' functions and skills and shall assess the time and dedication required for each vacancy, so as to ensure that the eventual appointee is able appropriately to discharge his/her responsibilities. The Company may seek external advice to complete its needs analysis and/or its annual assessment of compliance with the selection policy.

With regard to the criteria for the selection or re-election of directors, candidates shall meet the conditions established in point 3.2 of the policy (i.e. they must be reputable persons of acknowledged ability and professional solvency, with the appropriate experience, qualifications, training, availability and commitment to discharge the office concerned. In addition, they must be fluent in both Spanish and English in order to perform their duties properly. They must also be professionals of integrity, whose conduct and professional trajectory are in line with the principles set forth in the company's Code of Ethics and who do not meet the incompatibility requirements indicated in that section.

Additionally, in the evaluation of the Board for the 2018 financial year, among the measures that had been taken by the Appointments and Remuneration Committee, one of them was the definition of the characteristics that the directors had to comply with in their profile, as detailed below:

- Honourable, honest, upright person of good repute.
- Experience and qualified training in the following areas, preferably:
 - ✓ Real estate sector and market (transactions and regulations)
 - ✓ Finance and accounting.
 - ✓ Risk control and management.
 - ✓ Cybersecurity and digital transformation.
 - ✓ Sustainability and non-financial information.
 - ✓ Capital market and financing.
- Experience in administrative, management, control or advisory functions to other companies.
- Availability and commitment to perform their role.
- Fluent in Spanish and English.
- Professional career in line with the principles set out in the company's Code of Ethics.
- No conflicts of interest with Neinor Homes or with companies in the sector that are competitors.
- Not involved in any case of incompatibility or prohibition established in the applicable law.
- Not affecting for any reason the image and reputation of Neinor Homes or putting at risk, in any other way, the company's interests, including not having a criminal record or accusation in legal proceedings.

The Company shall foster diversity in terms of gender, experience and expertise among the directors and shall ensure that no implicit bias exists such as might result in any kind of discrimination, especially where this might hinder the selection of female directors.

Appointment and re-election:

The directors are appointed by the General Shareholders Meeting or may be co-opted by the Board of Directors, subject to a report from the Appointments and Remunerations Committee, or in the case of independent directors at the proposal of said committee.

The directors shall hold office for a term of three years, at the end of which they may be re-elected one or more times for the same maximum term.

Directors co-opted onto the Board shall hold office until the next General Shareholders Meeting held after their appointment, and they shall resign their office in the event that said appointment is not ratified at the General Shareholders Meeting.

Before proposing the re-election of directors to the General Shareholders Meeting, the board shall assess the quality of the work carried out and the dedication to their office shown by the directors proposed during their previous term in office, who shall absent themselves from said assessment.

With regard to the criteria for the selection or re-election of directors, firstly, candidates shall meet the conditions established in point 3.2 of this Policy.

In addition, Neinor Homes, in compliance with the Capital Companies Act, in the search for candidates to fill new vacancies, shall favour the diversity of gender, experience, age and knowledge of its directors and shall ensure that there are no implicit biases that may entail any type of discrimination, especially that may hinder the selection of female directors. In this regard, Neinor Homes is aware of the content of recommendation 15 of the Code of Good Governance with regard to the recommended percentage of female directors, which will be duly taken into account with regard to future appointments of new directors or the filling of vacancies on the Board of Directors that may arise. To this end, Neinor Homes shall ensure that there are sufficient candidates in the market that comply with gender diversity, in addition to functional and nationality diversity, and shall endeavour to ensure that, as far as possible, the Company has a significant number of female senior managers. These criteria shall be carried out in the selection process and compliance with them shall contribute to the efficiency of the Board of Directors' decision-making.

The proposal of candidates for director may be made by any director, provided that the person meets the conditions established in point 3.2 of this Policy, although it is the ARC that will analyse the suitability of the candidacy in accordance with the guidelines of this Policy, to subsequently submit it to the Board of Directors, who will formally approve it. As part of the selection process, the ARC, or at least its chairman or one of its members, shall meet with each of the candidates for board members before issuing its report or proposal, recording the meetings and at least the evaluation of the final candidates or those considered suitable in the minutes of the ARC meetings.

The candidate shall also be required to provide sufficient information about the rest of his or her activities and any potential conflicts of interest that may affect him or her, so that the ARC can assess the effect they may have on the candidate's ability to perform his or her duties under the stipulated conditions or on his or her current or future independence, and his or her formal acceptance in writing of the Group's policies for directors shall be sought.

Assessment:

With regard to assessment, Article 18 of the Regulation of the Board of Directors requires the Board annually to assess (i) its functioning and the quality of work; (ii) the discharge by the Chairman and the Chief Executive Officer of their functions as such, based on the report issued by the Appointments and Remunerations Committee; (iii) the diversity of the Board's members and the skills of the directors; and (iv) the functioning of the Board Committees based on the reports issued by the same. For these purposes, the Chairman of the Board of Directors shall organize and coordinate the assessment process with the Chairs of the Board Committees.

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

Based on the results of the annual assessment, the Board of Directors may propose an action plan to correct any weaknesses observed in relation to the quality and efficiency of the Board's functioning, the functioning and membership of committees, diversity, the work of the Chairman and of the Chief Executive, and the work and contributions made by each director.

Removal:

The directors shall cease to hold office when the term for which they were appointed ends, or where so decided by the General Shareholders Meeting.

Directors must place their position at the disposal of the Board of Directors in the cases mentioned in Article 21.2 of the Board Regulations (see section C.1.19 below).

The Board of Directors may only propose the removal of an independent director before the end of his/her statutory term of office upon sufficient grounds, established by the Board of Directors subject to a report by the Appointments and Remunerations Committee. The removal of independent directors may also be proposed because of a public takeover bid or of mergers and other similar corporate operations that would result in changes in the company's capital structure, provided such changes arise in line with corporate good governance recommendations applicable to the Company from time to time.

C.1.17. Explain the extent to which annual Board assessments have resulted in significant changes in its internal organization and in the procedures applicable to its activity:

Description of modifications s

In accordance with the provisions of Article 529 *nonies* of the LSC and Recommendation 36 of the Good Governance Code, as well as with the CNMV's Technical Guide 3/2017, in relation to the Audit Committee, the Company, in the last quarter of the financial year, carried out an evaluation of the functioning of the Board and its respective Committees assisted by an external expert, this being the sixth year that such evaluation was carried out, following the best national and international market practices.

The evaluation carried out has been linked to an action plan for improvement measures.

The evaluation of the Board has not led to major changes in its internal organisation, as the Board and the respective Committees have been assessed as functioning very positively and in line with the best practices of good governance

of public interest companies.

The main conclusion of the evaluation was that *"Neinor Homes has a solid governance model, characterized by a unified, active, and dedicated Board of Directors, with high professional and human value, who have complementary knowledge and experience, which helps to enrich the debate and contributes to the proper functioning and efficiency of the different administrative bodies."*

The strengths identified in the evaluation of the Board were:

1. Overall performance: All board members rated the performance of all the governing bodies between "Very good" and "Excellent", with the Chairman of the Board and the Audit and Control Committee being the most highly rated.
2. Composition of the Board. All board members consider there is adequate:
 - Size of the Board
 - Proportion of directors, by its classification
 - Mix of knowledge, skills and experience
3. Functioning of the Board. A majority of members consider appropriate:
 - Frequency and duration of meetings
 - Quality of supporting documentation
 - Board's agility for decision-making
4. Participation from senior management. Interaction with senior management team: very frequent and adds value. Highlights:
 - CEO: has helped to generate a very positive atmosphere within the management team
 - GRC and Internal Audit: extraordinary team
5. Interaction and information between Board and Committees.
 - Highlight: Broader discussions are performed in the committees' meetings, permitting Board meetings to be shorter, more efficient and agile.
6. Fulfilment of responsibilities. The 3 committees were highly valued by its committee members. Land Investment Committee outperforms: 100% "strongly agree" that they have satisfactorily fulfilled their assigned responsibilities.

The improvement actions in the action plan are:

1. Possibility of celebrating an additional Board meeting (off-site): focus in the follow-up of the Strategic Plan.
2. Send, in the extent possible, the supporting documentation for Board and Committees' meetings with more days-in advance.
3. Include new /continue to develop training sessions: ESG, regulatory developments and director compensation.
4. Increase the transparency, among board members, of the Succession Plan: Chairman and CEO.
5. Celebration of an informal meeting within the Board, as a way of developing a "team building" activity.
6. Continue to improve interaction of the Board with most relevant stakeholders: ie. Proxy advisors & Top institutional investors.
7. Continue to align with international corporate governance best practices, in terms of reporting:
 - Individualized level of attendance to Board and committees' meetings.
 - Number of additional Boards, in order to avoid overboarding.
 - Further disclosure regarding gender diversity in the Selection Policy.
8. Assess the possibility of improving gender diversity at the Board.
9. Assess the possibility of increasing level of independence at the Board.
10. Value the "pros" and "against" of increasing level of independence at Key committees.

Describe the assessment process and the areas evaluated by the Board of Directors with the assistance, where applicable, of an external consultant, with respect to the functioning and membership of the board and its committees, and any other area or issue subject to assessment.

The evaluation of the functioning of the Board and its Committees has been carried out internally by the company's GRC, Internal Audit and Sustainability Department in financial years 2018, 2019, 2021 and 2022.

In financial years 2020 and 2023, being the third year of such evaluation, it has been carried out externally, relying on consultants of recognised prestige, PwC and Georgeson respectively, in accordance with the provisions of article 18.3 of the Regulations of the Board of Directors of Neinor Homes and recommendation 36 of the Good Governance Code of Listed Companies of the CNMV (Spanish National Securities Market Commission).

The evaluation process assisted by the external expert has been carried out following three working approaches in order to try to obtain greater visibility and objectivity:

1. Sending and subsequent analysis of the evaluation questionnaire to the Directors, the aim of which is to obtain more quantitative responses on the effectiveness of the functioning of the management bodies: Board, committees, chairman, CEO, secretary of the board, committee chairmen; in line with the regulatory expectations set out in the CNMV's recommendations.

The link to the evaluation questionnaire was sent by email to all board members, carried out on an online platform, thus ensuring anonymity of responses and 100% participation.

Said questionnaire will be based on market practices and will take into account the questions included in the evaluation questionnaires of previous years, in order to be able to analyse the evolution in the relevant aspects for Neinor Homes regarding the dynamics and functioning of its Board of Directors.

2. Interviews with Independent Directors to identify the degree of effectiveness of the functioning of the management bodies, the aim of which is to obtain more qualitative responses.

The interviews were conducted with each of the directors separately, and both the responses and the comments made by them have been treated anonymously.

3. Benchmarking of the company's corporate governance practices with comparable companies at national level, in order to identify the degree of alignment of the company with its peers, highlighting the practices in which it is a best practice.

The benchmark was based on public information (website, corporate governance reports, etc.).

The recommendations of the most relevant international proxy advisors (ISS and Glass Lewis) and the voting policies of the main foreign institutional investors active in corporate governance with a presence in the share capital of Spanish listed companies have also been taken into account.

C.1.18. For those years in which evaluations were assisted by an external consultant, describe the business relations maintained by the consultant or any entity forming part of its group with the company or any group company.

The evaluation carried out in financial year 2020 was the first to be assisted by an external consultant, PricewaterhouseCoopers S.L. (PwC).

The business relationships maintained with this consultant or any of its group companies in financial year 2020 are detailed below, in addition to the actual work of assisting in the evaluation of the Board and its Committees:

- Limited review and testing of the effectiveness and efficiency of the controls established in the company's internal Financial Information Control System.
- Support in the review of operations of analysis on the prevention of money laundering.
- Advising on the integration and procedure of companies acquired in the current financial year.
- Review and prior analysis of the legal, tax, labour and financial aspects of companies acquired or merged by the company.
- Advice and analysis of the servicing market at national level.

The amount of the business relations that the external consultant maintained with the company and its group companies in the financial year 2020, and which have been detailed above, amounted to 629 thousand euros.

The evaluation carried out in the 2023 financial year was the second time that an external consultant, Georgeson S.L., assisted the company.

In addition to the work of assisting in the evaluation of the Board and its Committees, in financial year 2023 the only business relationship maintained with this consultant or any company in its group was the identification of shareholders. The amount of such business relationship amounted to 6 thousand euros.

C.1.19. Describe the circumstances in which directors are obliged to resign.

Directors must tender their resignations to the Board of Directors in the following circumstances:

- when they cease to hold the executive positions with which their appointment as directors was associated;

- when they are affected by any case of incompatibility or disbarment established by law or in the bylaws.
- when they are admonished by the Board of Directors for infringing any of the obligations incumbent upon the directors;
- when their continuance as members of the Board could jeopardize or harm the interest, credit or reputation of the Company, or where the reasons for their appointment are removed, including, without limitation, as a result of significant changes in their professional situation or in the conditions under which they were appointed to their directorship;
- when they are prosecuted for any offence or are the subject of disciplinary proceedings instigated by the supervisory authorities in relation to any serious or very serious offence;
- in the case of proprietary directors, (i) when the shareholder represented sells its entire shareholding or materially reduces said the same, or (ii) by the requisite number, when the shareholder represented reduces its shareholding to a level requiring a reduction in the number of proprietary directors;
- when a director is a member of more than four Boards of Directors of other listed companies (aside from the Company);
- when alleged wrongdoing by a director means that his/her continuance could be seriously detrimental to equity or corporate the reputation in the Board's opinion.

C.1.20. Are qualified majorities other than those established by law required for any decisions?:

Sí No

Describe the differences, where applicable.

Description of differences
<p>Article 17.4 of the Regulations of the Board of Directors states that: Except where the law or the Articles of Association specifically establish other voting rules, resolutions shall be adopted by absolute majority of the directors present at the meeting. In particular, the appointment, removal and agreements to terminate of CEOs, as well as the previous approval of contracts to be entered into between the Company and directors who are given executive functions will require the favorable vote of at least two thirds of the members of the Board, with the abstention, where applicable, of the affected director. In the event of a tie, the Chairman will not have a casting vote.</p> <p>The Capital Companies Law indicates that a majority is sufficient for the appointment or removal of the Chief Executive Officers.</p>

C.1.21. State whether any specific conditions exist for appointment as chairman the board other than those applicable to directors.

Sí No

Description of conditions

C.1.22 State whether the bylaws or the Board's Regulations establish any age limits for directors:

Sí No
 Edad límite presidente Edad límite consejero delegado Edad límite consejero

Remarks

C.1.23. State whether the bylaws or the Board's Regulations establish any limits on mandates or other stricter requirements in addition to the conditions established by law or applicable regulations for independent directors:

Sí No

Additional requirements and/or maximum term of mandates in years	
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C.1.24. State whether the bylaws or the Board's Regulations establish any specific rules for proxy votes by other directors at board meetings, the procedure for the issue of proxies and in particular, the maximum number of proxies a director may hold. Likewise, state whether any restrictions exist regarding the categories of director to whom proxies may be issued above and beyond the restrictions established by law. Where appropriate, provide a brief description of the rules.

Neither the bylaws nor the Board's Regulations establish any specific rules for proxy votes at Board meetings, and there are no restrictions with regard to the categories of directors to whom proxies may be granted above and beyond the restrictions established by law.

C.1.25 State the number of meetings held by the board of directors during the year. Where appropriate, indicate the number of board meetings that were not attended by the chairman. In this computation, the chairman should be treated as attending where represented by proxy with specific instructions.

Number of board meetings	12
Number of board meetings not attended by the chairman	0

Remarks

State the number of meetings held by the coordinating director with the other directors but not attended by the CEO either in person or by proxy.

Not applicable because the chairman is not an executive director.

Number of meetings	-
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State the number of meetings held by the different board committees during the year:

Number of meetings of the executive or steering committee	- *
Number of meetings of the audit committee	6
Number of meetings of the appointments and remunerations committee	9
Number of meetings of the appointments committee	- *
Number of meetings of the remuneration committee	- *
Number of meetings of the Land Investment Committee (LIC)	4

* Not applicable, because this committee does not exist in the company.

Remarks

C.1.26. State the number of meetings held by the board of directors during the year and the attendance data for the board members:

Number of meetings attended in person by at least 80% of directors	12
% attendance in person / total votes cast during the year	99.07%
Number of meetings attended by all directors either in person or by proxies issued with specific instructions	12
% of votes cast by directors in person or by proxies issued with specific instructions / total votes cast during the year	99.07%

Remarks

C.1.27 State whether the individual and consolidated annual accounts presented to the board for approval are previously certified:

Sí
 No

Where appropriate, identify the person(s) who certified the individual and consolidated annual accounts of the company for preparation by the board:

Name	Office

Remarks

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to 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 accordance with Article 39.3 of the Board's Regulations, the Board of Directors shall endeavour to the prepare the final annual accounts in such manner as to ensure that there is no need for the auditor to include any emphasis of matter or qualifications in the opinion issued. In the exceptional cases where emphasis of matter paragraphs or qualifications may exist, both the Chair of the Audit and Control Committee and the external auditors shall provide the shareholders with clear explanations as to the contents of the same. Where the Board considers that it must maintain its stance, it shall publicly explain the meaning and extent of the difference of opinion.

Article 9.1(d) of the Audit and Control Committee Regulation expressly requires the Committee to ensure that the Board of Directors is able to present the financial statements to the Annual General Meeting without scope limitations or qualifications and, in the exceptional cases where such may exist, the Chair of the Audit and Control Committee and the

external auditors shall clearly explain to the shareholders of the meaning and extent of such scope limitations and qualifications.

In accordance with Article 9.6(e) of the Audit and Control Committee Regulation, the Committee shall meet periodically with the external auditor (once in the planning phase before audit procedures begin and once after the audit in the drafting phase for reports). At least one such meeting each year shall be held without the presence of any members of the Company's management team to debate audit tasks and any issues arising from the audit procedures carried out.

C.1.29. Is the secretary to the board a director?

Sí No

Complete the following table if the secretary is not a director:

Secretary's name	Representative
Silvia López Jiménez	Silvia López Jiménez
Remarks	

C.1.30. Describe the specific mechanisms established by the company to protect the independence of external auditors, as well as the mechanisms, if any, to protect the independence of financial analysts, investment banks and rating agencies, including a brief explanation of how the pertinent legal provisions were implemented in practice.

The company has established selection, approval and evaluation procedures for all relevant providers to support and ensure transparency in tender processes.

Regarding the services concerned in this section, the company retains the services of external auditors applying the procedures mentioned in the preceding paragraph on the same basis as for other service providers.

In order to safeguard the independence of the company's external auditors, the Audit and Control Committee has also established the following policies and procedures:

- Employment policy for former auditors
- Policy for the provision of non-audit services by the external auditor
- Annual internal audit report on the independence of the external auditor
- Annual Independence Letter/Report issued by the external auditor.

Services performed by external auditors that are not limited to the review of the annual accounts or interim financial statements require the approval of the audit committee to ensure that they do not affect the auditor's independence.

The company's Governance, Risk and Compliance management ensures compliance with these policies.

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

Sí No

Outgoing auditor	Incoming auditor

Remarks

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State whether there were any disagreements with the outgoing auditor and explain their content:

Sí
 No

Explanation of disagreements

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C.1.32. State whether the audit firm carries out any other non-audit work for the company and/or its group, and if so state the fees paid for such work in absolute terms and as a percentage of the total fees billed by the auditor to the company and/or its group:

Sí
 No

	Company	Group companies	Total
Cost of other non-audit work (thousands of euros)			
Amount of non-audit work / Total amount invoiced by the audit firm (in %)			

C.1.33. State whether the auditor's report on the annual accounts for the prior year contained any emphasis of matter paragraphs or qualifications. Where applicable, state the reasons offered by the chairman of the audit committee to the shareholders at the annual general meeting to explain the contents and scope of such qualifications.

Sí
 No

Explanation of reasons and direct link to the document made available to shareholders at the time of the call in relation to this matter

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C.1.34. State the number of consecutive years for which the current audit firm has examined the individual and/or consolidated annual accounts of the company. Also, state the number of years examined by the current auditor as a percentage of the total number of years in which the annual accounts have been audited:

Number of consecutive years	Individual	Consolidated

	9	9
Number of years examined by the current audit firm / Number of years in which the company has been audited (%)	Individual	Consolidated
	100%	100%
Remarks		

C.1.35. State whether there is any procedure to ensure that the directors are provided sufficiently in advance with the necessary information to prepare meetings of the governing body, and where applicable explain such procedure:

Sí No

Description of procedure
<p>In accordance with Article 16 of the Board's Regulations, calls for meetings of the Board of Directors must be issued at least 72 hours prior to the date of the meeting, accompanied by all relevant information duly prepared and summarized. In practice, both calls and the documentation for meetings are sent 6-7 days in advance using a restricted tool to which only the directors have access, in order to guarantee information security.</p> <p>The agenda for board meetings shall indicate clearly the points on which the board of directors is required to adopt a decision or resolution, so that the directors can examine or obtain the necessary information in advance.</p> <p>Moreover, Article 23 of the Regulation permits the directors to request information on any matter falling within the purview of the Board of Directors and to examine the books, ledgers, documents and other documentation.</p> <p>Requests for information must be addressed to the Secretary of the Board of Directors, who will submit them to the Chairman of the Board and to the appropriate interlocutor in the Company.</p> <p>The Secretary shall advise the director concerned of the confidential nature of the information requested and received, and of his/her duty of confidentiality pursuant to the Regulation.</p> <p>The Chairman may refuse to provide the information where he considers (i) that it is not needed for the proper discharge of the functions incumbent upon the director, or (ii) that the cost is not reasonable in view of the importance of the problem and the Company's assets and revenues.</p>

C.1.36. Indicate whether the company has established rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether related to their actions in the company, which could damage the company's credit and reputation:

Sí No

Explanation of rules
<p>In accordance with Article 21.2(iv) of the Board's Regulations, the directors are required to tender their resignation to the Board of Directors where their continuance could jeopardize the interest, credit or reputation of the Company. The Board shall accept such resignation where deemed appropriate.</p> <p>In such cases, the director concerned shall explain the circumstances in a letter sent to all of the Board members, and his/her removal shall also be duly explained in the Annual Corporate Governance Report.</p>

C.1.37. Indicate, unless special circumstances have arisen which have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation

affecting a director, whether related to his or her performance in the company itself, which could damage the company's credit and reputation:

Sí No

Director's name	Nature of observation	Remarks

In the above case, indicate whether the board of directors has examined the case. If the answer is affirmative, explain in a reasoned manner whether, in view of the specific circumstances, it has adopted any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his removal.

Also indicate whether the board's decision has been reported to the appointments committee.

Sí No

Decision adopted / action taken	Reasoned explanation

C.1.38. List any agreements entered by the company, which will come into force, be amended, or be terminated in the event of a change in control of the company resulting from a public takeover debate and its effects.

Most of the financing contracts entered into by the company with financial institutions include change of control clauses that establish either the need for the creditor's prior consent to the change of control or early maturity of the financing.

C.1.39. Indicate any agreements between the company and its directors, managers and employees, which provide for compensation, guarantees or golden parachutes in the event of resignation or unfair dismissal, or where contractual relations are terminated as a consequence of a public takeover bid or any other type of corporate transaction. These agreements should be identified individually in the case of directors and on aggregate in other cases.

Number of beneficiaries / Type of beneficiary	Description of the agreement
CEO and part of the Management Committee.	In the event of termination of the contract by the Company, unless such termination is due to a serious and culpable breach by the beneficiaries of the obligation's incumbent on them by law or contract, the beneficiaries shall be entitled to receive compensation equivalent to two years of their last stipulated fixed salary.

State whether these agreements must be reported to and/or approved by the company's management bodies or by the group in any cases other than those established by applicable law. If so, specify the procedures, the case is concerned and the nature of the management bodies responsible for approval and for reporting:

Body authorizing clauses	Board of directors	General Meeting
	X	

Are these clauses reported to the General Shareholders Meeting?	YES	NO
		X

Remarks

C.2. Board of committees

C.2.1. List all board committees, their members and the proportion of executive, proprietary, independent and other external holding seats on the same:

There is no Executive or Steering Committee.

EXECUTIVE COMMITTEE

Name	Office	Category
-	-	-

% executive directors	
% proprietary directors	
% independent directors	
% other external directors	

Remarks

Explain any functions delegated or assigned to this committee other than those already mentioned in section C.1.9 above and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws or any other corporate agreements in practice.

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AUDIT COMMITTEE

Name	Office	Category
Anna M. Birulés Bertrán	Chairwoman	Independent Director
Ricardo Martí Fluxá	Vocal	Independent Director
Alfonso Rodés Vilá	Vocal	Independent Director
Van J. Stults	Vocal	Proprietary Director
Felipe Morenés Botín-Sanz de Sautuola	Vocal	Proprietary Director

% executive directors	0%
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% proprietary directors	40%
% independent directors	60%
% other external directors	0%

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

Procedures and rules governing organization and functioning:

Article 42 of the Company's Bylaws is as follows:

1. The Board of Directors will constitute a permanent Audit and Control Committee, an internal body of an informational and consulting nature, with no executive functions, with information, advisory and proposal-making powers within the scope of action indicated in section 5 of this article. The Audit and Control Committee shall have a minimum of three and a maximum of five members, appointed by the Board of Directors itself, all of whom, and especially its Chairman, must have knowledge and experience in accounting, auditing and risk management, both financial and non-financial. The majority of the members of the Audit and Control Committee shall be independent.
2. The Board of Directors shall appoint the Committee's Chair from among the independent directors holding seats on the same. The Board of Directors shall likewise appoint a Deputy Chair where considered appropriate. The Deputy Chair shall be appointed under the same conditions as the Chair.
3. The office of Secretary to the Audit and Control Committee will be held by the person appointed by the Board of Directors. The secretary need not be a full member of the Audit and Control Committee, in which case it will not be necessary for the Secretary to be a member of the Board of Directors. The Secretary to the Audit and Control Committee need not be the same person as the Secretary to the Board of Directors.
4. The directors holding seats on the Audit and Control Committee shall discharge their functions while they continue in office as directors of the Company, unless otherwise agreed by the Board of Directors. The renewal, reelection and removal of the directors holding seats on the Committee shall be governed by the pertinent resolutions of the Board of Directors.

The office of Chair shall be held for a maximum term of four years, after which period the outgoing Chairman shall not be reelected until at least one year has passed since his/her termination, notwithstanding his/her continuation or re-election as a member of the Committee.

5. Notwithstanding any other tasks that may be assigned to it by the Board of Directors from time to time, the Audit and Control Committee shall have the following basic functions:
 - (i) To report to the General Shareholders Meeting on any questions raised by the shareholders within the remit of the Committee and, in particular, to report on the results of the audit, explaining how it contributed to the integrity of the financial information and the role played by the Audit and Control Committee in the audit process.
 - (ii) To supervise the effectiveness of the Company's and the group's internal controls, internal audit function and risk management systems (including the management of tax risks), and to discuss any significant weaknesses in the internal control system detected in the course of audit procedures with the auditor without thereby compromising its independence. For these purposes, the Committee may present its recommendations and proposals to the management body, establishing the pertinent monitoring periods.
 - (iii) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for the possibility of communications being made anonymously, respecting the rights of both the reporting and the reported party.
 - (iv) Supervising the preparation and presentation of the statutory financial and nonfinancial statements and presenting recommendations or proposals to the Board of Directors directed to safeguard its integrity. In addition, the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – must also be supervised, reviewing compliance with regulatory requirements, the accurate delimitation of the consolidation

perimeter, and the correct application of accounting principles.

- (v) To make proposals to the Board of Directors, for eventual approval by the General Shareholders Meeting, with regard to the selection, appointment, reelection or replacement of the auditors, in accordance with prevailing legislation, as well as proposals relating to the terms of engagements; to seek and obtain regular information from the auditors with regard to their audit plan and the progress thereof; and to safeguard the independence of the auditors in the discharge of their functions.
 - (vi) Supervising the activity of the Company's internal audit function.
 - (vii) To establish appropriate relations with the auditors in order to obtain information regarding any matters which might compromise their independence for examination by the Audit and Control Committee, as well as information concerning the audit procedures carried out and, where applicable, as required for the authorization of other non-audit services permitted under prevailing legislation, and to receive all other communications required under legislation governing the audit of financial statements and by prevailing audit standards. In any event, the Audit and Control Committee shall obtain the external auditors' annual letter of representations establishing their independence from the company and other companies directly or directly related with the same, as well as detailed, itemized information on any additional non-audit services of any kind and the fees received in respect of thereof by the external auditor or by any persons or entities related with the same, in accordance with prevailing audit legislation.
 - (viii) To issue an annual report expressing an opinion on the independence or otherwise of auditors and audit firms. Said report shall be issued before the audit opinion is received. The Audit and Control Committee's report shall in any case address the provision of the additional non-audit services referred to in the preceding paragraph, considered both individually and as a whole, and it shall likewise address the system in place to assure the independence of the auditor in accordance with prevailing audit regulations;
 - (ix) Reporting to the Board of Directors, prior to Board meetings, on all matters provided by law, the Articles of Association or the Board of Directors Regulations and, in particular, on the following matters: (i) the financial and nonfinancial information the Company must publish periodically; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens; and (iii) transactions with related parties, in accordance with the provisions of any applicable legislation at any given time.
 - (x) In relation to the external auditor: (i) to ensure its remuneration does not compromise its quality or independence; (ii) supervise that the Company notifies as a material event any change of external auditor to the National Securities Market Commission (Comisión Nacional del Mercado de Valores), accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same; (iii) to ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other requirements concerning auditor independence and (iv) in the event of resignation of the external auditor, investigate the circumstances that may have caused such resignation.
 - (xi) To summon any employee or executive of the company, and where appropriate to require their attendance without the presence of any other director or executive.
 - (xii) Any other functions assigned by the Board of Directors in its Regulations.
6. The Audit and Control Committee shall meet quarterly on an ordinary basis to review the periodic financial information to be reported to stock market supervisors, as well as any information requiring the approval of the Board of Directors for inclusion in the annual reports published. The Committee shall also meet at the request of any of its members and wherever convened by its Chair, who shall convene a meeting whenever the Board of Directors or the Chairman of the Board requires a report or the adoption of proposals, and in any event whenever appropriate for the proper discharge of its functions. Committee meetings shall be deemed quorate whenever attended, either in person or by proxy, by half plus one of its members. Resolutions shall be adopted by majority vote. The Chair shall not have a casting vote in the event of tie.
7. The Board of Directors may draw up and approve a Regulation implementing the foregoing.

Also, Article 14 of the Board's Regulations provides as follows:

- Supervise the activity of the Company's internal audit function reporting organically to the Chairman of the Audit and Control Committee and monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit function; propose the function's budget; approve or make a proposal for approval to the Board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the Company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- Report on related party transactions to be approved by the General Shareholders' Meeting or the Board of Directors, as the case may be, and supervise the internal procedure for transactions whose approval

has been delegated.

- Report on the acquisitions that entail or may entail a conflict of interest.
- Report on any corporate structural modification intended to be carried out, its economic conditions and its accounting implications, specially, where appropriate regarding the applicable exchange rate.
- Supervise compliance with the policies and rules of the Company in the environmental, social and corporate governance areas, and internal rules of conduct. In particular, the Committee shall be responsible for:
 - (i) Supervise compliance with the Company's internal codes of conduct and corporate governance rules and ensure that the corporate culture is aligned with its purpose and values.
 - (ii) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.
 - (iii) Periodically evaluate the effectiveness of the Company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
 - (iv) Ensure the Company's environmental and social practices are in accordance with the established strategy and policy.
 - (v) Monitor and evaluate the Company's interaction with its stakeholder groups.

The Audit and Control Committee shall prepare an annual report on its activities, explaining the main matters arising, if any in relation to the Committee's functions. Where the Audit and Control Committee may deem it appropriate, it may include proposals to improve the Company's governance rules in said report.

The Audit and Control Committee may summon any member of the company's management team or staff to appear before it, even without the presence of any other manager. Persons so summoned shall be required to attend the meetings of the Audit and Control Committee and to offer their full cooperation and access to any information they may hold. That committee may likewise require the auditors to attend its meetings.

With a view to achieving the best possible outcomes, the Audit and Control Committee may seek the advice of external experts where deemed necessary to ensure the adequate discharge of its functions.

The Company shall establish an Internal Audit Department to supervise the proper functioning of information systems and internal controls under the oversight of the Committee. The Internal Audit Department shall report functionally to the non-executive Chairman of the Board of Directors or to the Chair of the Audit and Control Committee. The head of the Internal Audit Department shall present the department's annual working plan to the Audit and Control Committee. The Department head shall likewise report any incidents arising in the course of internal audit activities and shall submit a report to the Committee at the end of each financial year.

Activities carried out:

The most significant of all the matters examined and dealt with at the various meetings of the ACC held during the year, in line with the functions and powers delegated to it, are summarized below:

(*) Activities submitted to the Board for approval and/or ratification.

- Report of the activities carried out by Internal Audit and GRC in 2022 (*)
- Review and approval of the annual report on the activities of the Audit and Control Committee
- Review and approval, where appropriate, of the report on related transactions and conflicts of interests for fiscal year 2022 (*)
- Proposal of training for the Board for 2023 (*)
- Review of the annual financial information as of 31 December 2022 including the Annual Financial Report and the annual accounts corresponding to the financial year ended on 31 December 2022. Presentation on the conclusions regarding the audit carried out by Deloitte, S.L. (*)
- Review of the proposed summarized financial statements corresponding to the twelve months of the financial year ended on 31 December 2022.
- Review and approval of the proposal to the Board of Directors regarding the re-election of the auditor of the Company, as well as its group, for the financial year ending 31 December 2023 (*)
- Report on the negotiation of treasury shares by the Company (*)
- Report on the press release and explanatory presentation of the Company's annual results (*)

- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for financial year ended on 31 December 2022 (*)
- Review and approval of:
 - The information regarding ICFRS to be included in the Annual Corporate Governance Report (IAGC).
 - The external auditor's verification report on ICFRS
 - The executive summary of the internal auditor on ICFRS.
- Report on the Q1 financial information (*)
- Results of the external audit of AML/CFT prevention, risk self-assessment report and annual report on AML/CFT prevention activities
- Results of the external data protection audit
- Review of the modifications to the policy on conflicts of interest and related parties and of the anti-harassment protocol (*)
- Situation and evolution of sustainability aspects
- Report on the press release and presentation regarding the H1 financial information (*)
- Presentation of the audit work carried out for the review of the financial statements of H1 and external audit recommendations (*)
- Update on the estimation of risks arising from ongoing legal proceedings (*)
- Review of the various quarterly reports on the review of the company's internal control and risks
- Analysis and reporting of communications received through the whistle-blowing channel (*)
- Update and monitoring of the results to date of the Sustainability Plan and presentation of the social impact of the developments of year 2022
- Review and approval of the report on the auditor's independence and on the delivery of services different from the audit services (*)
- Review and approval of the Non-Financial Information and Sustainability Memorandum Report to be included in the consolidated management report (*)
- Review of the H1 financial information and summarized consolidated interim financial statements (*)
- Report on the capital reductions to reimburse shareholders contributions by reducing the nominal value of the shares (*)
- Report on the capital reduction by means of the redemption of treasury stock (*)
- External Audit Effectiveness Report
- Planning and follow-up of the external audit (planning of the closing of annual accounts and review of non-financial information, results of preliminary work / risks identified)
- Presentation of GRC plan for 2024
- Presentation of the Audit and Control Committee's work schedule for 2024
- Review and approval of non-audit services provided by the external auditor
- Report on the cybersecurity attack. General structure of cybersecurity in the Group and measures taken (*)
- Approval of the protocols for the analysis and identification of investors in operations for the formalisation of Joint Ventures for co-investment operations (KYC investors) (*)
- Review of compliance with the internal code of conduct and corporate governance rules (article 14 c) of the charter of the Committee)

Identify the directors appointed to seats on the audit committee in view of their knowledge and expertise in accounting and audit matters and state the date of the Committee Chair's appointment to office.

Name of directors with relevant expertise	Anna M. Birulés Bertran
	Van J. Stults
	Alfonso Rodés Vila

Date of appointment as Committee Chair

22/02/2023

Remarks

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Office	Category
Ricardo Martí Fluxá	Chairman	Independent Director
Anna M. Birulés Bertran	Vocal	Independent Director
Alfonso Rodés Vilà	Vocal	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Vocal	Proprietary Director
Van J. Stults	Vocal	Proprietary Director

% executive directors	0%
% proprietary directors	40%
% independent directors	60%
% other external directors	0%

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

Procedures and rules governing organization and functioning:

Article 43 of the Company's Bylaws provides as follows:

1. The Board of Directors shall create a permanent Appointments and Remunerations Committee as an internal informational and consultative body without executive duties, but vested with reporting, advisory and proposal-making powers in its area of activity, as described in sub-section 5 of this Article. The Appointments and Remunerations Committee shall have a minimum of three and a maximum of five members, being non-executive directors appointed by the Board of Directors at the proposal of its Chairman. The majority of the members of the Appointments and Remunerations Committee shall be independent directors.
2. The Board of Directors shall appoint the Committee's Chair from among the independent directors holding seats on the same. The Board of Directors shall likewise appoint a Deputy Chair where considered appropriate. The Deputy Chair shall be appointed under the same conditions as the Chair.
3. The office of Secretary to the Appointments and Remunerations Committee will be held by the person appointed by the Board of Directors. The secretary need not be a full member of the Appointments and Remunerations Committee, in which case it will not be necessary for the Secretary to be a member of the Board of Directors. The Secretary to the Appointments and Remunerations Committee need not be the same person as the Secretary to the Board of Directors.
4. The directors holding seats on the Appointments and Remunerations Committee shall discharge their functions while they continue in office as directors of the Company, unless otherwise agreed by the Board of Directors. The renewal, re-election and removal of the directors holding seats on the Committee shall be governed by the pertinent resolutions of the Board of Directors.
5. Notwithstanding any other tasks that may be assigned to it by the Board of Directors from time to time, the

Appointments and Remunerations Committee shall have the following basic functions:

- (i) To evaluate the competences, expertise and experience required by the Board of Directors; for these purposes, the Appointments and Remunerations Committee shall define the necessary skills and abilities of the candidates to cover any vacancy and shall evaluate the time and dedication required to discharge the related duties effectively.
 - (ii) To establish a target for representation by the minority gender in the Board of Directors, and to prepare guidelines for the attainment of that target.
 - (iii) To make proposals to the Board of Directors for the appointment of independent directors by co-option or for presentation and approval at the General Shareholders Meeting, as well as proposals for the re-election or removal of such directors by the General Shareholders Meeting.
 - (iv) To make proposals for the appointment of other directors by co-option or for presentation and approval at the General Shareholders Meeting, as well as proposals for the re-election or removal of such directors by the General Shareholders Meeting.
 - (v) To make informed proposals for the appointment or removal of management personnel, and on the basic terms and conditions of their contracts.
 - (vi) To examine and organize the succession of the Chairman of the Board and of the Chief Executive Officer of the Company and, where applicable, to make proposals to the Board of Directors to ensure an orderly and well-planned succession.
 - (vii) To report to the Board of Directors on policy regarding the remuneration of directors and senior managers or other persons holding management posts and reporting directly to the Board of Directors, executive committees or executive directors, as well as the individual remuneration and other contractual terms applicable to the executive directors, and to verify compliance with the policy established.
6. The functioning of the Appointments and Remunerations Committee shall be governed by such rules as may be determined by the Board of Directors in the pertinent Regulation.

Also, Article 15 of the Board's Regulations provides as follows:

- The Appointments and Remuneration Committee shall meet quarterly or, at least, four times a year in ordinary session. It shall also meet at the request of any of its members and when convened by its Chairman, who must call a meeting whenever the Board of Directors or its Chairman requests the issuance of a report or the adoption of proposals and whenever necessary for the proper exercise of its functions.
- Meetings of the Appointments and Remuneration Committee shall be duly convened when a majority of the members are present in person or by proxy and resolutions shall be adopted by absolute majority vote.
- Minutes shall be taken of the committee's meetings and a copy of the minutes shall be sent to all the members of the Board of Directors.
- The committee shall consult the Chairman and the CEO of the Company, especially in matters concerning executive directors and managerial employees.
- Where considered necessary to enable it to perform its functions more effectively, the Appointments and Remuneration Committee may take advice from outside experts, taking care to ensure that conflicts of interest do not adversely affect the independence of the external advice provided to the committee.

Activities carried out:

The most significant of all the matters examined and dealt with at the various meetings of the ARC held during the year, in line with the functions and powers delegated to it, are summarized below:

(*) Activities submitted to the Board for approval and/or ratification.

- Review of the proposal of payment of bonus to the employees and top management of the Company in connection with year 2022 and review of the remuneration for 2023 (*)
- Review and approval of bonus accrued to employees and senior management in 2022 (*)
- Review of the performance and approval of the bonus accrued by the employees and the top management on 2022 (*)
- Review and approval of the salaries, goals and target bonus of the employees and the top management for 2023 (*)
- Review of the performance and approval of the targets and incentives accrued by the CEO on 2022 (*)
- Review and favourable report of the salary, goals and target bonus of the CEO for 2023 (*)
- Review of the performance and approval of the incentives accrued in connection with the NLTIP and SIP 2020-2022 and liquidation of the programme (*)

- Assessment of the Board of Directors and its committees (*)
- Review and approval of the annual report on the activities of the Board and its Committees (*)
- Review of the specific targets of the bonus of the executive director and certain members of top management for 2023 (*)
- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for financial year ended 31 December 2022 (*)
- Report on the Annual Report on the Remuneration of directors (IAR) for financial year ended on 31 December 2022 (*)
- Re-election proposal of Ms. Anna M. Birulés Bertrán, Mr. Ricardo Martí Fluxá and Mr. Alfonso Rodés Vila as independent directors of the Company for the statutory period of three years (*)
- Report on the re-election of Mr. Borja Garcia-Egocheaga Vergara as executive director and of Mr. Aref H, Lahham, Mr. Van J. Stults and Mr. Felipe Morenas Bofín-Sanz de Sautuola as proprietary directors of the Company for the statutory period of three years (*)
- Appointment proposal of Ms. Anna Birulés Bertrán as chair of the Audit and Control Committee for a period of three years (*)
- Review and approval of the Management Incentive Plan 2023-2025 (*)
- Review and approval of an update of the remunerations of the Directors and Board Secretary (*)
- Approval of the new incentive plan 2023.2025 for certain executives and the executive director (*)
- Approval of the targets of the first annuity of the new incentive plan (*)
- Review and approval, of the Regulations of the new Management Incentive Plan (*)
- Review and favorable report of the amendments to the Directors' Remuneration policy (*)
- Presentation of the Appointments and Remunerations Committee Plan 2024
- Assessment of the Board and its Committees (*)
- Review of the dedication of non-executive directors (article 11 a) of the charter of the Committee)
- Review of compliance with the internal code of conduct and corporate governance rules (article 14 c) of the charter of the Committee)

APPOINTMENTS COMMITTEE

The Company does not have an Appointments Committee, the functions and duties of which are assigned to the Appointments and Remunerations Committee.

Name	Office	Category

% proprietary directors	
% independent directors	
% other external directors	

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws or any other corporate agreements in practice.

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REMUNERATIONS COMMITTEE

The Company does not have a Remuneration Committee, the functions and duties of which are assigned to the Appointments and Remunerations Committee.

Name	Office	Category

% proprietary directors	
% independiente directors	
% other external directors	

Explain the functions assigned to this committee including any additional functions to those provided for by law and describe the procedures and rules governing the committee's organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

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LAND INVESTMENT COMMITTEE

Name	Office	Category
Aref H. Lahham	Chairman	Proprietary director
Borja García-Egotxeaga Vergara	Vocal	Executive director
Ricardo Martí Fluxá	Vocal	Independent director
Van J. Stults	Vocal	Proprietary director
Andreas Segal	Vocal	Independent director
Felipe Morenés Botín Sanz-de Sautuola	Vocal	Proprietary director
Juan José Pepa	Vocal	Proprietary director

% executive directors	14.29%
% proprietary directors	57.14%
% independent directors	28.57%
% other external directors	0%

Explain the functions assigned to this committee, describe the procedures and rules governing its organization and functioning. For each function, state the most relevant actions during the year and explain how the committee discharged each of the functions attributed to it by law, the bylaws, or any other corporate agreements in practice.

Procedures and rules governing organization and functioning:

The internal Regulation of the Land Investment Committee establishes, inter alia, the following:

1. The Committee shall be formed by a minimum of three and a maximum of seven members. The Committee members shall be appointed by the Company's Board of Directors at the proposal of the Appointments and Remunerations Committee, subject to consultation with the Chair of the Land Investment Committee.
2. The majority of the Committee members shall be non-executive directors. All members of the Committee shall have broad, recent and appropriate professional, technical and financial experience in the real estate sector and in financial investment, whether securities investment or investment in real estate assets.
3. Only the Committee members shall be entitled to attend its meetings. However, other directors and employees, and other natural persons and external advisers may be invited to attend the Committee's meetings on a regular basis, and other persons who are not members of the Committee may also be invited to attend all or part of a meeting wherever deemed necessary or appropriate. Only the Committee members shall have the right to vote on its resolutions, and any other persons attending shall be permitted only to speak.
4. The committee members shall be appointed for a maximum term of three years, which may be extended by a further two 3-year terms, provided search Committee members continue to be members of the Board of Directors.
5. The Committee's Chair shall be appointed by the Board of Directors. In the absence of the Committee's Chair and his/her appointed stand-in, the other members of the Committee attending shall select one of their number to chair the meeting.
6. The office of Secretary to the Land Investment Committee shall be held by such persons as may be appointed by the Board of Directors. The Secretary to the Land Investment Committee need not be a full member of the same, in which case (i) he/she shall not have the right to vote, and (ii) he/she shall not be a member of the Board of Directors. The Secretary to the Land Investment Committee need not be the same person as the Secretary to the Board of Directors.
7. The Committee's resolutions shall be adopted by majority vote. All members of the Committee attending its meetings shall vote on all items on the agenda except where any conflict of interest may exist, in which case the Committee member affected shall leave the meeting and shall not take part in deliberations or vote on any matters where he/she may have a conflict of interests.
8. All reports prepared by the Committee and submitted to the Board of Directors for its consideration before the approval of any Board resolution shall expressly mention that all proposals made by the Committee are in compliance with prevailing legislation.
9. The Committee shall meet at least four times each year, and whenever necessary. Notwithstanding, the Committee shall meet wherever so requested by any of its members or wherever it is validly convened by the Chair.
10. The Committee Chair shall convene a meeting wherever the Board of Directors or the Chairman of the Board may request that a report be prepared or a proposal approved, and in any event wherever deemed expedient for the due discharge of its functions.
11. Committee meetings shall be convened by the Secretary to the Committee at the request of any of its members, or at the request of the Chairman of the Board.
12. Unless otherwise established, the call for each meeting shall state the venue, the date and the time of the same, and the agenda setting out the business of the meeting, and it shall be sent to each of the Committee members and any other persons required to attend, as well as non-executive directors, at least three (3) business days in advance of the date of the meeting. Any background documentation shall be delivered to the Committee members and any other parties invited to attend, where applicable, together with the call for the meeting.
13. Notwithstanding the above, Committee meetings shall be understood to be validly convened without the need for any prior call if all of its members are present, either in person or by proxy, and unanimously agree to hold a meeting and the agenda for the same. Likewise, the members of the Committee may vote by letter without holding a meeting, provided none of the directors opposes this procedure.
14. The Committee members may also meet simultaneously at more than one venue connected by any system allowing recognition and identification of participants, uninterrupted communication between the same wherever they may be and participation in voting, all in real time. Subject to the foregoing, the Committee may

hold its meetings by conference call or video conference, and by other similar methods of communication.

Wherever the participants in a Committee meeting may find themselves, it shall be understood that all of them attend the same meeting. Any such meetings shall be understood to be held at the venue where the majority of the Committee members are met, or in the event of a tie, at the venue where the Committee Chairman or his stand-in as chair of the meeting may be located.

15. The Committee shall discharge the following functions for the company and its principal affiliates:
- (i) To define general investment policies and strategies, investment objectives, the rules for and limitations applicable to the purchase and disposal of real estate assets, and all other investment policies followed by the Company, and where applicable to present all of the foregoing to the Board for its approval.
 - (ii) To review all of the aforementioned strategies and objectives at least annually, and to adopt and approve any changes.
 - (iii) To evaluate and adopt a final decision either in favour of or against the possible acquisition of real estate assets, possible real estate developments and the financing of real estate purchases and/or developments undertaken by the Company, whether directly or via any group entity, and to evaluate and adopt a final decision with regard to the financial viability of such investments, their fit with the Company's investment policies and compliance with applicable laws.
 - (iv) To prepare the pertinent reports on all matters examined by the Committee and to present the same to the Board, especially in cases where a resolution of the Board is required in accordance with prevailing legislation.
 - (v) To analyse and track the Company's investment results and performance in relation to the investment strategies, objectives, policies, rules and limits approved by the Committee, including without limitation, examination of the procedures applied by the Company to establish that investments are made in accordance with the aforementioned investment strategies, objectives, policies, rules and limits.
 - (vi) To approve the evaluation methods utilized by the Company in relation to the purchase or disposal of real estate portfolios and assets.
 - (vii) To address any other issues or tasks that may fall within the Committee's remit.
16. The Chairman of the Committee shall report formally to the Board on the Committee's actions with regard to all issues falling within its remit after each meeting. The Chairman shall likewise report formally to the Board with regard to the discharge of the Committee's responsibilities, including analysis of compliance with legal, regulatory and internal requirements applicable to the evaluation and execution of investments and, in general, the outcomes of all actions concerned in the tasks assigned to the Committee.
17. The Committee shall report to the Board on all purchases, investments and disposals of land for real estate development prior to approval by the Board, wherever the amount of the transaction concerned exceeds €10 million.
18. In general, the Committee shall report to the Board on all and any other matters where the same may request the Committee's opinion, and on any issues which the Committee understands it should remit to the Board for its consideration.
19. The Committee shall make all such proposals to the Board as it may consider necessary with regard to matters falling within its remit and requiring action or the implementation of improvement measures.
20. The Committee shall prepare an activity report for inclusion in the Company's annual report. This report shall provide details of all investments and disinvestments made by the Company, as well as a brief summary of each and every one of the transactions carried out and the conclusions of the Committee reports in relation to each of the same.

Activities carried out:

The most significant of all the matters examined and dealt with at the various meetings of the LIC held during the year, in line with the functions and powers delegated to it, are summarized below:

- Follow up on strategic considerations and guidance approval for 2023
- Bond refinancing update & cash Management (*)
- Investment Strategy update (*)
- Deliveries overview 2023
- Review and approval of the annual report on the functioning of the Land Investment Committee
- Development overview
- Update on rental crystallization (*)

- Update on co-investment (*)
- Update on acquisitions and projects
- Overview of the development activity
- ICM and Second Goes approvals.
- Regular updates on marketing processes
- Regular updates on potential land acquisitions by the company
- Forecast closing and results 2023

C.2.2. Complete the following table with infdirector, about the number of female directors holding seats on board committees at the reporting date for the last four years:

	Number of female directors			
	Fiscal year 2023 Number %	Fiscal year 2022 Number %	Fiscal year 2021 Number %	Fiscal year 2020 Number %
Executive committee	-	-	-	-
Audit committee	1	1	1	1
Appointments and Remunerations Committee	1	1	1	1
Appointments committee	-	-	-	-
Remuneration committee	-	-	-	-
Land investment committee	0	0	0	0

C.2.3. Where applicable, state whether there are any regulations for the board committees, where they are kept available for consultation, and whether they have been amended during the year. Also, state whether any annual reports on the activities of each commission have been voluntarily prepared.

Each of the three Board Committees has its own Regulations. All these regulations are available on the Company's website (<https://www.neinorhomes.com/en>), section Responsible Business and Innovation, sub-section Corporate Governance.

The current Regulations were approved on March 8, 2017, prior to the Company's IPO, and have been updated and amended on April 13, 2022.

D RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1. Explain, if applicable, the procedures and competent bodies for the approval of related-party and intragroup transactions, indicating the company's general internal rules and criteria governing the abstention obligations of the directors or shareholders affected, and provide details of the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the Board of Directors.

Procedure for proposals to approve related-party transactions

The procedure followed by the Company to report the approval of related-party transactions is set out in the Conflicts of Interest and Related Parties Transactions policy approved by the Board of Directors on July 15, 2015, the most recent updates being on 23 February 2022, incorporating the changes in the regime of related-party and intragroup transactions of the Capital Companies Act, and on 24 May 2023, which, on the one hand, developed the procedure for approving related-party transactions, to cover the case of the creation of joint ventures with a shareholder and, on the other hand, to regulate the protocol and the approval of related-party transactions in writing and without a meeting of the audit and control committee (hereinafter ACC).

The policy is published on the company's website.

This policy establishes the following:

1. Where any Company Parties learn of a possible Related-Party Transaction, they shall inform Neinor Homes' Governance, Risk and Compliance and Internal Audit Department as soon as they become aware of the same.

If it is found upon examination that a transaction is a Related-Party Transaction, the Company Party shall prepare a written report addressed to the Governance, Risk and Compliance and Internal Audit Department showing that the transaction would be carried out under market conditions and would respect the principle of equality between shareholders.

2. Following analysis of the report on the Transaction by the Governance, Risk and Compliance and Internal Audit Department, this Department shall analyze and carry out the appropriate reviews of the Transaction and shall prepare the corresponding report (which may endorse the report of the Responsible Party or prepare a different one) and shall proceed to approve the Transaction if it meets the conditions for delegated approval, or shall submit the Transaction to the ACC as provided in the following point.
3. The transaction between Related Parties must be reported to the ACC (unless it is a transaction that may be delegated by the Board and its approval has been delegated, in which case the provisions of the following section shall apply). The reports justifying the transactions shall form part of the documents submitted to the ACC for discussion.
4. The ACC shall evaluate the Transaction, analysing whether it is fair and reasonable from the point of view of the Company and, if applicable, of the shareholders other than the Related Party, giving an account of the assumptions on which the evaluation is based and the methods used. If appropriate, it may request reports from independent experts. When a Transaction may affect the equal treatment of shareholders, reference shall be made to the provisions of section 4.1.5.
5. Once the approval of the ACC has been received, the transaction shall be submitted to the Board of Directors or the General Shareholders' Meeting for review and approval, in accordance with the regulations in force. If the Related Party is a director (or a person related to a director), he/she will have to withdraw from the decision-making process at the Board meeting that decides on the Transaction.
6. Transactions whose approval has been delegated shall not require a prior report from the ACC. However, the Board of Directors establishes the following internal reporting and periodic control procedure in relation to these transactions, with the intervention of the ACC, to verify the fairness and transparency of such transactions and, if applicable, compliance with the applicable legal criteria
 - (i) The Compliance Department, as the body responsible for monitoring all Related Party Transactions, shall prepare a report on the number, nature and amounts of such Related Party Transactions;
 - (ii) The Compliance Department shall send a report with the frequency requested by the CAC, and in any case on an annual basis when reviewing the financial information, presenting in aggregate form the Transactions approved under the powers delegated by the Board.
 - (iii) The ACC shall analyse said report from the Compliance Department and shall submit to the Board the appropriate annual report on its supervision and control of transactions with delegated Related Parties.

The Audit and Control Committee may seek clarification with regard to any given transaction and/or request additional documentation to assess whether the transaction was carried out under the approved terms.

In relation to the Application of Equal Treatment for Conflicts between Interested Shareholders, point 4.1.5 of said policy describes the following:

In order to ensure equal treatment between Neinor Homes shareholders regarding business opportunities that may be identified, guidelines shall be established for the event that more than one significant shareholder may be interested in acting as supplier/service provider of such business opportunity, with regard to the corporate activities performed by such shareholders.

In the event that Neinor Homes is interested in the purchase of any good/transfer of any assets and/or the provision of any service and there is more than one significant shareholder interested, the following procedures shall be followed:

- i. If one significant shareholder interested on said business opportunity is informed about it, all shareholders must be informed as well.
- ii. If the selection of a service provider is performed through an auction procedure, all interested shareholders shall be invited to attend the auction.

In selecting the supplier, the interests of Neinor Homes will always prevail over any other interests.

The policy is published on the company's website at the following link: https://www.neinorhomes.com/uploads/documentos_contenidos/945/documento/Standard-of-conflict-of-interest_Neinor_2023_for-report.pdf

D.2. Provide a detailed breakdown of those transactions that are significant due to their amount or relevant due to their subject matter that were carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the Company's Board of Directors, indicating the competent body for their approval and whether any shareholder or director affected abstained. If the competent body was the General Shareholders' Meeting, indicate whether the proposed resolution was approved by the Board without the majority of independent directors voting against:

Name or company name of the shareholder or of any of its subsidiaries	% Ownership interest	Name or corporate name of the company or dependent entity	Nature of the relationship	Type of operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identification of any significant shareholders or directors who abstained	The proposal to the General Shareholder Meeting, if any, was approved by the Board without the majority of independents voting against
ORION EUROPEAN REAL ESTATE FUND V, S.L.P.	29.517%	Orion V European 24, S.á r.l.	Commercial / Business / Development of residential promotion	Creation of the company Pegasus Holdco, S.L. to develop build-to-sell developments, with equity of EUR 50 million contributed by both companies	50,000	Board of Directors / Investment Committee / Audit and Control Committee	AREF H. LAHHAM VAN J. STULTS	N/A

Remarks

Neinor Homes, S.A. and Orion V European 24, S.á r.l., a company wholly-owned indirectly by Orion European Real Estate Fund V S.L.P., have entered into an agreement to carry out, through a joint venture, residential real estate developments in Spain for build-to-sell.

The joint venture is owned 90% and 10% by Orion and Neinor, respectively. Neinor acts as delivery partner manager, supervising project design, licensing, marketing and construction. In addition, Neinor Homes, S.A. has a representative on the Board of Directors.

D.3. Provide a detailed breakdown of those transactions that are significant due to their amount or relevant due to their subject matter that were carried out by the company or its subsidiaries with the directors or executives of the company, including those transactions carried out with entities controlled or jointly controlled by the director or executive, indicating the competent body that approved them and whether any shareholder or director affected abstained. If the General Shareholders' Body was the competent body, indicate whether the proposed resolution was approved by the Board without the majority of independent directors voting against:

Name(s) or company name(s) of the director(s) or executive(s) or their controlled or jointly controlled entities	Name or company name of the company or subsidiary	Link	Nature of the operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identification of any shareholders or directors who abstained	The proposal to the General Shareholder Meeting, if any, was approved by the Board without most independents voting against.

Remarks

D.4. Provide a detailed breakdown of intragroup transactions that are significant due to their amount or relevant due to their subject matter that are carried out by the company with its parent company or with other entities belonging to the parent's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or the latter are wholly owned, directly or indirectly, by the listed company.

You should in any event mention any intergroup transactions carried out with entities registered in countries or territories listed as tax havens:

Group entity's name	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)

Remarks

D.5. Provide a detailed breakdown of those transactions that are significant due to their amount or relevant due to their subject matter that are carried out by the company or its subsidiaries with other related parties that are related in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the preceding headings.

We detail below the transactions and balances that are significant due to their amount (taking as a reference all the related companies with a balance or transaction amount of one million euros, in which in turn we will break down all the remaining balances and transactions) or relevant due to their subject matter.

Company name of its group entity	Brief description of the operation and other information necessary for its assessment	Amount (thousands of euros)
Banco Santander (Santander Group)	Interest income in favour of the company.	354
Banco Santander (Santander Group)	Financial expenses	7,926
Banco Santander (Santander Group)	Credit balance / Liability for financial debt as at 31.12.2023 for financing operations by developer operations	83,367
Banco Santander (Santander Group)	Debit balance / Assets. Net cash position with this entity in favour of the company at 31.12.2023	85,605
Aliseda, S.A.U. (Santander Group)	Purchases / Acquisition of land / plot in Alovera (Guadalajara)	927
Grupo Rayet, S.A.	Debit balance. Long-term loan maintained since the merger with Quabit Inmobiliaria	531
Rayet Medio Ambiente, S.L.	Debit balance. Long-term loan maintained since the merger with Quabit Inmobiliaria	644
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Revenues from the subsidiary Quabit Construcción, for the development work on sector I-15 in Alovera (Guadalajara)	8,366
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Expenditure by subsidiary companies; for the instalments paid for the urbanisation works of sector I-15 in Alovera (Guadalajara)	7,689
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Balance owed by the subsidiary, Quabit Construcción, for invoices pending payment for the execution of the urbanisation work on sector I-15 in Alovera (Guadalajara)	6,802
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Balance Receivable / Assets for work certifications pending collection	400
UTE I-15 GRUPO RAYET, S.A.U. - RAYET MEDIO AMBIENTE, S.L.	Debit balance / Advance payment of instalments granted to the development agent by the company	1,864
ABLANQUEJO, S.L.	Expenses / Services received as remuneration for work as Senior Advisor and Chairman of the construction company	1,330

D.6. Explain the mechanisms established to detect, determine and resolve possible conflicts of interests between the company and/or the group and its directors, managers and significant shareholders or other related parties.

The mechanisms established to detect, determine and resolve possible conflicts of interests are set out in the Conflicts of Interest and Related Parties policy approved by the Board and published on the Company's website.

In addition to this policy and the provisions established therein, the company has implemented an internal controls structure in this regard, which is based on the following elements providing reasonable assurance for the companies control bodies:

- ✓ Reporting channel for related-party transactions and other operations likely to generate conflicts of interest.
- ✓ Recording of transactions and analysis of these transactions.
- ✓ Compliance, acceptance and notification letter in relation to any transactions or conflicts of interest involving directors, senior managers and other executives in view of their functions and duties.
- ✓ Cross-checking against analysis tools and knowledge of natural and legal persons of directors and senior management, to identify those companies with which they have commercial or employment relations.
- ✓ Cross-referencing of the companies identified in the previous section with the company's accounts (invoicing sent and received).
- ✓ Periodic reviews and analysis of related-party transactions by the Internal Audit Department.
- ✓ Report on related-party transactions and conflicts of interest brought to the attention of and examined by Internal Audit. This report is prepared for submission to the Audit and Control Committee.
- ✓ Annual presentation of the register of related-party Transactions and conflicts of interest arising during the year to the Audit and Control Committee.

D.7. Indicate whether the company is controlled by another entity within the meaning of article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them.

Sí No

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand, have been publicly disclosed with accuracy:

Sí No

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand and identify where these aspects have been publicly disclosed.

Identify the mechanisms in place to resolve possible conflicts of interest between the parent company of the listed company and the other companies in the group:

Mechanisms for resolving potential conflicts of interest

E RISK MANAGEMENT AND CONTROL SYSTEMS**E.1.** Explain the extent of the company's Risk Management and Control System, including those of a fiscal nature.

Neinor Homes has defined an Integrated Control System (ICS), which has been transferred to the entire organisation, in which the risks are associated with strategic objectives, processes and control activities and which also incorporates those responsible for the execution and supervision of these controls, as well as the evidence supporting the system.

The continuous monitoring of this model makes it possible to address daily operations and contingencies, as well as to facilitate the management of all areas of risk that may affect the achievement of the company's objectives (e.g. business, financial, tax, regulatory risks, etc.). In short, the Neinor Homes model integrates all regulatory compliance environments, with the entire control structure and business risks in a homogeneous manner, to obtain a transversal vision, which promotes synergies and eliminates duplication.

The main inputs to the ICS are as follows:

- Compliance risks and controls: encompasses internal control of financial reporting, money laundering, data protection, prevention of criminal liability, conflicts of interest, fraud and corruption, etc.
- Corporate risks and controls: covers external factors, competitive environment, cybersecurity, people, corporate governance, sustainability, etc.
- Business risks and controls (value chain): includes land acquisition, product, contracting, commercial management and sales, among others.

On the other hand, the Risk Management methodology used by Neinor Homes is based on Enterprise Risk Management (also known as COSO II), which enables the contribution of added value through the identification, management and monitoring of business risk management.

In relation to the control of tax risks, Neinor Homes has adopted the necessary control mechanisms to ensure compliance with tax legislation as part of appropriate business management. It also dedicates adequate and sufficiently qualified human and material resources to this end.

Every two years, the company reviews and updates its strategic/corporate risk map, which is submitted to the Board and the Audit and Control Committee for review and consideration.

In fiscal year 2022, the company proceeded to update and review the entire corporate risk map, which is the main source of the company's entire control system.

This risk-based control system is flexible and dynamic, in this sense a specific risk plan is made in certain situations or transactions where all the risks that may arise are analysed from different prisms in order to establish the appropriate verification tests, controls that allow and help the company to make better decisions and respond.

As an example, in 2020, after the outbreak of the pandemic, the company, as part of its Integrated Risk Control and Management System, defined a specific model for dealing with the risks that could materialise as a result of this situation (Scipio Project), which was transferred to the entire organisation and is associated with strategic objectives, processes and control activities, with regular monitoring and reporting of the results to senior management and the Audit Committee.

Some of the strengths that recurrently appear in the audit report of the ISO 9001 certification are the risk management system implemented by the company, the money laundering prevention model or the design of the risk-based strategic sustainability plan, among others. All of them are areas of responsibility of the GRC, Internal Audit and Sustainability Department, and have been developed by this same department, which in turn is in charge of the company's risk management by mandate of the Audit and Control Committee on which it functionally depends.

E.2. Identify the corporate bodies responsible for the preparation and implementation of the risk control and management system, including control and management of tax risks.

In accordance with Article 5.6 of the Board's Regulations, approval of the risk control and management policy falls within the Board's remit, including the management of tax risks and periodic monitoring of internal information and control systems.

The Board delegates these functions to the Audit and Control Committee (ACC), and in accordance with Article 9.7 of the Audit and Control Committee Regulation, therefore, the ACC has the following risk management functions:

- To identify and assess the different types of risk (operational, technological, financial, legal, corporate, environmental, political, tax and reputational risk, among others) to which the Company is exposed, including contingent liabilities and other off-balance sheet risks among financial and business risks.

- To establish the levels of risk considered acceptable by the Company.
- To identify the measures in place to mitigate the impact of the risks identified in the event of materialization.
- To identify the information and internal control systems used to control and manage risks, including contingent liabilities and off-balance sheet risks.

However, initial responsibility for the supervision of the Integrated Risk Control and Management System in Neinor Homes lies with each business area involved, with the addition of periodic reviews conducted by the Governance, Risk and Compliance Department and ultimate validation from the Audit and Control Committee.

In particular, in the tax area, the Company's tax officer reports annually to the Board of Directors, either directly or via the Audit Committee, on the tax policies applied by the entity.

E.3. State the principal risks, including tax risks and corruption risks (within the meaning of Spanish Royal Decree Law 18/2017), where material, which could affect the successful attainment of business objectives.

Neinor Homes has classified the various risks to which it is exposed into 6 global categories:

- **Environmental risks:** related to the real estate sector and the cyclicity of the business. Correlation of our sector closely linked to the economic cycle. Business structure/resources not aligned to changes in the cycle/diversification of the Development/Equity/Rental activity. Administrative impact of the sector. New tax and regulatory policies for the sector, policies regarding land, management and licensing deadlines. Increase in construction and raw materials and land acquisition costs, as the existing supply and demand in the market and competitive environment are not homogeneous: associated with the competitiveness of the various agents involved in the real estate sector. Non-homogeneous competition.
- **Operational Risks:** Management of customer expectations and satisfaction. Excessive dependence on suppliers and sometimes limited supplier capacity of execution in time and form. Loss of business knowledge due to the outsourcing of essential services in the value chain. Retention and succession of key people. Inadequate adaptation to the industrial model. Alienation from the transformation and digitalization of the sector. Business paralysis due to external factors (pandemics, conflicts).
- **Compliance and ethical risks:** Non-compliance in time and quality of homes delivered. Illegal acts / criminal offences specified in the regulations, carried out by the company or its employees. Non-compliance with the rules and regulations to which the company is subject.
- **Financial and market risks:** Management of the capital market and all those related to the fulfilment of the expectations agreed with the shareholder/market. Excessive linkage to the financial sector. Non-compliance with margins and profit expected by investors and the market.
- **Strategic Risks:** Failure to meet deadlines or cost targets for strategic land development (land not ready for development) / and land acquisition. Valuation of assets and lack of discipline, coherence and reason in the acquisition of land. Failure to achieve sales foreseen in the Business Plan. Conflicts of interest in the strategic development and long-term viability of the company versus the expectations of investors and the market with a more short-term vision.
- **Climate change risks.** Following the main risks and opportunities identified by the Task Force on Climate-related Financial Disclosures (TCFD) in its recommendations for disclosures on climate-related risks and opportunities for financial institutions and non-financial companies, recommendations that were published in 2017 and are widely recognised internationally as guidelines on the subject. Transition risks (Political/Legal, Technology, Market, Reputational risks) and acute and chronic physical risks.

The nature of the real estate development activity means that Neinor Homes must assess and, where appropriate, mitigate both the risks inherent in the transition to a low-emission economy and those related to the physical impacts of climate change. See the note on Environmental Impact in the financial statements.

In this sense, in addition, non-compliance with certain ESG factors is one of the company's main risks, considering the company's environmental and social impact on the environment and on people as key, which has favoured certain actions with suppliers of raw materials, the energy efficiency of buildings, the analysis of climate change risks in our developments, the analysis of compliance with European taxonomy, actions aimed at promoting greater accessibility to housing or the study of the social impact in all our developments, among others.

The Integrated Control System (ICS) implemented is a dynamic tool, and as such it is intended to provide up-to-date, continuous information on the possible risks to which the Company may be exposed. Neinor Homes periodically compiles data on development / events that could potentially pose a risk from the various risk detections sources defined in order to facilitate analysis and continuous monitoring, to take any remedial measures required, and, where appropriate, to include any appropriate control / mitigation measures, and to analyse the effectiveness and value of the measures already in place in the ICS.

E.4. State whether the entity applies risk tolerance levels, including in relation to tax risks.

Risk tolerance levels are defined in the risk assessment scale used by Neinor Homes to evaluate the potential risks to which it is exposed, classifying those that the company is willing to assume or reject (in order to achieve its strategic objectives) and placing these risks on the Risk Map.

These assessment scales consider both the financial and reputational impacts which the materialization of the risks evaluated could entail.

In addition, the final risk evaluation made applying the assessment scales addresses the likelihood of materialization in view of both historic data and future estimates.

Risks are evaluated both at the inherent level and at the residual level, i.e. after the application of the control measures established in each case. This procedure ensures effective prioritization of all risk events.

The final risk classification includes both qualitative elements and elements that could affect the attainment of the company's strategic goals or interfere with its mission, vision and values.

The analyses made are contrasted with the opinions of third parties interested in the company and against internal sources.

In the tax area, Neinor Homes ensures strict compliance with tax legislation in the different territories where the group operates, settling the taxes due in accordance with the law based on a reasonable interpretation of prevailing rules, notwithstanding the possibility of legitimate disputes arising with the tax authorities in relation to the interpretation of the applicable tax legislation, despite the application of a best tax practice policy.

The Audit and Control Committee is responsible for reviewing these variables each year to update and approve the appropriate tax practices.

E.5. State any risks, including tax risks, which have materialized during the year.

During 2023, certain risks inherent to Neinor Homes' real estate business and the consequences of various causes such as higher construction and energy costs, increased government regulation, inflation, rising interest rates and tighter access to financing, among others, have materialised, although they have not had a material impact on the development and operation of the company, we detail below those that we consider to have materialised the most:

- Increased construction costs (raw materials and labor).
- Difficult situation of certain construction companies and subcontractors for the completion of the development.
- Shortage of qualified labor for the execution of the different works.
- Shortage of land for future developments and excessive cost of existing land.
- Regulatory uncertainty (Housing Law, development of urban plans).
- Valuation of the company in the capital market.
- Increase in the cost of financing (interest rates), developer loans, corporate loans and increase in the spread for customers on mortgages.
- Uncertainty in the cycle due to the macroeconomic situation and demand.

On the other hand, during the 2017 fiscal year (1 June 2017), verification and investigation activities were initiated in respect of the companies in the NEINOR SUR group (VAT 2014-2016; Company Tax 2012-2015) and NEINOR PENINSULA (VAT 2015-2016; Company Tax 2015).

On 8 January 2019, the tax authorities concluded the verification and investigation procedure in respect of the companies and taxes described above, by means of a final settlement agreement with the following result:

- In relation to NEINOR SUR, no contingent liabilities have been detected that could represent a risk for the company;
- In relation to NEINOR PENINSULA:
 - Previously contingent liabilities (year ended 30 June 2015) in Company Tax have materialised due to differences in allocation over time, and tax penalties were issued. However, in the opinion of the Company and its advisors, the liabilities arising from such penalties do not evidence that they carry an associated material risk for the inspected company, given the nature of the discrepancy, so the likelihood of being confirmed by the Courts is remote.
 - In addition, previously contingent liabilities were detected for VAT (2015), and it is believed that it is likely that these liabilities will be confirmed by the courts, and therefore the company has made full provision for such risk.

- In this regard, during 2019, the company filed an economic-administrative complaint with the Central Economic Administrative Tribunal (TEAC) against the inspection reports. The company and its advisors believe it is likely that the Court will be able to resolve the claim in a manner that will be favourable for the company's interests.

In the 2020 financial year, there were no new developments in this respect, with the actions described above continuing at the appeal stage.

During the 2021 financial year, contentious-administrative appeals were filed with the National Appellate Court in relation to the rejection of the Central Economic-Administrative Tribunal's resolutions regarding Corporate Income Tax, financial year 2015. The company and its advisors believe that the National Appellate Court may rule in favour of the company's interests.

There are no new developments in this respect for the financial years 2022 and 2023.

E.6. Explain the response and oversight plans for the entity's principal risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to any new challenges arising.

During the process of updating the company's Corporate Risk Map, not only the risks and risk events that affect the business and regulatory compliance objectives of Neinor Homes have been defined, but also the control activities that allow mitigating such events.

The officers responsible for execution and supervision were identified for each of the controls established, and the supporting evidence required to show due implementation was defined.

In this regard, the functions envisaged in the Annual Activity Plans of the GRC and Internal Audit Management include periodic reviews of control activities to ensure their effectiveness and, where any control weaknesses may be observed, to make recommendations and propose relevant action plans.

Such periodic reviews of control activities are a fundamental part of the companies entire control structure, which integrates the different compliance systems implemented since the company was founded in May 2015, such as the FICS and the criminal liability prevention, money laundering and terrorism finance prevention, data protection, related-party transactions and conflicts of interest, and fraud and corruption prevention systems, etc.

In order to effectively and efficiently integrate all of the compliance systems, the same uniform, standard implementation process was applied in every case, the key steps of which comprised analysis of external and internal expectations and risk appetite, analysis of domestic and international best practice policies and regulations, risk analyses, drafting of policies, analysis of the existing internal control structure, implementation and, where appropriate, design of additional controls / improvement measures, identification of the governance system (implementation / supervision / reporting), training and communication to the organization.

In addition, the Audit and Control Committee is provided with periodic reports for supervisory purposes on risk management developments in the company, the status of critical risks, monitoring and the progress of the response plans agreed.

The following are some of the measures taken to mitigate the materialized risks described in the previous point and which, as can be seen in the operational aspects related to construction, are easier to identify:

- Increased construction costs (raw materials and labor);
 - Promote the procurement of materials in advance of project execution.
 - Framework agreements with suppliers of the main brands prescribed in our projects.
- Delicate situation of certain construction companies and subcontractors for the completion of the development.
 - Establishment of collaborative agreements with construction companies.
 - Control of payment flows to all parties involved in the execution of the project.
 - Strengthening of the approval and selection processes for construction companies, increasing the relevance of their financial situation.
- Shortage of qualified labor for the execution of the different works.
 - Integration of more than one subcontractor for the execution of the main works.
 - Revision of the planning, in order to hire the necessary manpower in advance.

In addition to these measures, the company has strengthened both its construction management (Neinor Works), which provides support in those projects where the initially contracted construction company has left, and its construction subsidiary Quabit Construcción, which, together with the former, carries out projects from the outset when the price/quality/term conditions mean that the internal route may be the best option.

With regard to the scarcity of land for future development and the excessive cost of the existing ones, the complex existing regulations for ordering new buildable land, added to the tensions experienced in relation to construction costs, makes it difficult to find available assets that can be promoted.

The company's main response plans to mitigate this factor are the in-depth knowledge of the real estate market by geographic areas and expected expansion zones, the continuous monitoring of opportunities and the analysis and search for unique and adapted transactions.

As for regulatory uncertainty (housing law, development of urban plans, etc.), the changing adaptation of urban planning regulations by the different public administrations to new socio-economic contexts, adds to the already complex urban management regulations. Issues such as the reservation of subsidized housing on developable land or the flexibility of uses are some examples that cast uncertainty on the viability or economic reality of certain assets.

With regard to this situation, the company tries to have a deep knowledge of regulatory matters, an investment policy aimed at reducing regulatory risks, the complete monitoring of regulatory developments in order to know potential advances in regulatory matters and, of course, to maintain direct contact with all public authorities.

In the case of the increase in the cost of financing (interest rates), developer loans, corporate loans and increase in the spread for customers in mortgages, it is important to note that at December 31 Neinor Homes had available an amount of 541 million euros, of which it had 357 million available (both amounts exclude the debt linked to the finished product). In addition, a high percentage of the company's financing is green financing with better market conditions than the rest.

Finally, this financing was obtained prior to the increase in interest rates and its conditions are mostly fixed, also for financing that has not been previously established in fixed rates, the Company has a derivative / cap for 300 million that ensures that it will not pay more than 2% interest rate, so that the company between these measures has covered all the current exposure and for the next 5 years.

The Company contracted in 2022 a derivative / cap for 300 million which ensures that it will not pay more than a 2% reference interest rate, with this measure the company has mitigated the interest rate risk and has covered all the current exposure and the next 4 years. In the case of mortgages for end customers, competition between banks has mitigated the rise in rates and customers have been able to access mixed mortgages with fixed rates in the first years below Euribor.

On the other hand, in an environment of high interest rates, in order to reduce long-term indebtedness, related to the debt linked to assets owned for rental, the company has proceeded to materialise their value on the market, selling them to different investors.

The company has been very active in this market, closing 4 operations in 2023 (developments for rental to third parties) for which it has obtained 186 million euros and has placed 599 homes on the market.

Likewise, with a view to diversifying risk, the company aims to maintain certain assets in property intended for rental, continues to build developments intended for rental and maintains the operational management of rentals in most of the assets it disposes of, thus maintaining the entire structure and capacity of this line of rental activity, sizing the property therein according to the situation of financial conditions and demand at any given time.

Finally, regarding the valuation of the company in the capital market or the uncertainty in the cycle due to the macroeconomic situation and demand, these are risks that involve a greater degree of complexity when taking specific measures that can help to mitigate them. However, the measures set out in the different strategic, business and real company response plans are based on the consolidation of a real estate platform, the diversification of the business, strengthening the rental line, the search for new alliances and partners to develop the BTS and BTR, the creation of business lines for the promotion of more affordable housing, the prioritization of the social and environmental impact of our business and finally to maintain a solid company in terms of deliveries, results and margins that gives an adequate return to shareholders and maintain this over time.

In this regard, the company, analysing the risk and uncertainty in the markets, which is reflected in the value of the shares on the continuous market, as well as the undervaluation of the shares of real estate companies, well below their NAVs, has sought to compensate shareholders by means of a return on their investment, approving, as part of the Neinor Homes Business Plan, an ambitious shareholder remuneration plan of 600 million euros over the next five years, Neinor Homes has sought to compensate shareholders through the return on their investment by approving, as part of its Business Plan, an ambitious shareholder remuneration plan of 600 million euros over the next five years, an objective that will make Neinor Homes one of the listed companies with the highest shareholder remuneration via dividends.

The company will have completed by February 2024 the distribution of 125 million euros to shareholders, 20% of the total forecast for the period. In addition, thanks to resilient operational and commercial activity throughout 2023, the company has excellent visibility for upcoming shareholder distributions of 325 million euros in total in 2024 and 2025, representing a return of 41%.

On the efficient capital growth side, Neinor managed to sign agreements with three strategic partners to co-invest EUR 300 million, which represents a 60% fulfilment of the five-year target. Up to the end of the year, Neinor co-invested EUR 100 million in asset purchases with its partners.

With regard to the prioritisation of the environmental and social impact of the company's activity, the multiple measures launched by the company and described in our non-financial information report have enabled us to be recognised for the third consecutive year in 2023 by the prestigious ESG rating agency Sustainalytics (Morningstar) as the listed company with the lowest ESG risk in the world.

In relation to tax risks, Neinor Homes has implemented control mechanisms to ensure due compliance with tax regulations

and its commitment to the application of good tax practices, in particular:

- ✓ Approval of tax criteria in accordance with the company's tax policy and its commitment to the application of good tax practices. These criteria are reviewed and validated annually by the person responsible for tax matters;
- ✓ Supervision and continuous control of the proper implementation of the agreed criteria. This supervision is carried out both internally, by those responsible for tax matters, and externally, by an independent tax expert;
- ✓ On an ad hoc basis, the head of tax matters of the entity reports to the Board of Directors on the results of the tax risk control mechanisms.

As of 31 December 2023, following the course of the last financial year, we consider that all the measures and decisions taken in the face of the risks analysed and materialised have enabled the company to diversify and become, thanks to both inorganic and organic growth, a real estate platform incorporating the entire value chain (urban development, retail, property development, rental of owned and third-party homes, construction, joint-venture vehicles, analysing possible lines of coliving and senior living).

F INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PREPARATION AND ISSUE OF FINANCIAL INFORMATION (FIICS)

Describe the mechanisms making out the risk control and management systems relating to the preparation and issue of financial information by the company (FIICS).

F.1. Entity's control environment

Explain at least the following, describing key characteristics:

F.1.1. What bodies and/or departments are responsible for (i) the existence and application of an adequate and effective FIICS, (ii) implementation, and (iii) supervision.

Article 5.4 of the Board's Regulations establishes the powers of the Board of Directors in this area, and subparagraph xxiv specifically mentions its "ultimate responsibility for the existence and application of an effective Financial information internal control system (FIICS)".

Implementation of the FIICS is a matter for all of the business areas defined in Neinor Homes, insofar as they are responsible for the application in practice of control mechanisms and measures to ensure the reliability of the company's financial information.

In its work of supervising the appropriate implementation and application of the system, the Board receives the support of the Audit and Control Committee (ACC), which is assigned the following tasks in accordance with Article 9.3 of the Audit and Control Committee Regulation:

- o To assess the suitability and effectiveness of internal financial controls and systems of internal control and financial and non-financial risk management, including oversight of the financial information internal control systems (FIICS), to ensure that the main risks are duly identified, managed, assessed and reported.
- o To provide assurance that these systems appropriately mitigate risks in the context of the policy established by the Board of Directors, where appropriate.

F.1.2. Whether the following exist, especially in relation to the preparation of financial information:

- **Departments and or mechanisms for (i) the design and review of the organizational structure, (ii) the definition of lines of responsibility and authority, including appropriate distribution of tasks and duties, and (iii) the existence of sufficient procedures and awareness of the same throughout the company.**

Neinor Homes' Board of Directors competences include defining the structure of the company, and it therefore has maximum responsibility for assigning duties related with the preparation and supervision of financial information and ensuring that each of the departments involved is duly apprised of its functions.

The General Finance Department (GFD) has primary responsibility for preparing the financial information, although all departments of the company are required to foster transparency and ensure the accuracy of the information they handle and supply to the market.

- **Code of conduct, approval body, diffusion and training, principles and values included (stating any specific mentions of transaction recognition and the preparation of financial information), and body responsible for analysing non-compliance and proposing corrective actions and sanctions.**

Neinor Homes Code of Ethics was approved by the Board of Directors on 14 May 2015, and it has since been updated on several occasions, the last time on 10 March 2017. The company's Ethics Code is the main pillar of its culture, and it provides the main guide for the activity of Neinor Homes, establishing a catalogue of ethical principles, values and rules of conduct that should effectively direct the activity of all group companies and of the people forming part of the company. This document is distributed to all employees on a periodic basis and upon the induction of new

employees into the company for their information. Employees are required to return a signed copy signalling their acceptance.

In addition, the GRC Department provides training on ethics and compliance to the entire company on an annual basis. Attendance is mandatory.

Specifically, annex 4 of the Ethics Code explains that "persons responsible for entering data in the different physical and digital ledgers utilized by the company in the process of preparing its financial information must assure the reliability, integrity, accuracy and currency of such data in order to ensure that the financial information reported reflects a true and fair image of the company's equity, financial position and results of operations."

Both the Ethics Code and the Code of Conduct for third parties, and many of the company's Compliance Policies, Manuals and best practices, compliance with which is mandatory for all employees, are published on the company's website (Shareholders and Investors / Corporate Governance and Sustainability / Codes and Policies). The company's principles and values are set out in its Ethics Code and in the published document titled "Mission, Vision and Values".

In addition, "the effectiveness of the Internal Financial Information Control System (SCIF) as a whole is assessed annually by the Internal Audit Management or by an independent third party".

On the other hand, one of the principles governing Neinor Homes' operations according to the Ethics Code is transparency, and the company therefore establishes that "it will supply the authorities, its shareholders, the markets in which it operates and its customers with accurate, transparent information on financial and accounting matters prepared in accordance with prevailing legislation".

Finally, all commitments to the Code of Ethics and the company's various policies and behaviour / conduct manuals are regularly circulated to all employees and new recruits, all of whom ratify their understanding and acceptance.

The body responsible for examining cases of non-compliance with the ethics code and proposing corrective action and sanctions is the GRC (Governance, Risk, Compliance) Internal Audit and Sustainability department, which reports directly to the Audit and Control Committee.

- **Whistleblowers channel to allow reporting of financial and accounting irregularities to the audit committee, as well as possible cases of non-compliance with the code of conduct and irregular activities within the organization, stating, where applicable, whether this channel is confidential and whether it allows for anonymous communications, respecting the rights of the whistle-blower and the reported party.**

Neinor Homes has established an Ethics Channel to facilitate reporting (either by post or by email) of irregular or inappropriate conduct related with the accounts, control, risks and financial information, as well as other matters considered relevant in relation to the integrity, conduct and transparency of transactions arising in the course of the company's internal and external functioning.

The communication channels on which it is based are twofold:

- an Ethics Channel accessible through the address <https://neinorhomes.integrityline.com/frontpage>
- A postal address: Neinor Homes; Canal Ético; Paseo de la Castellana 20, 5ª planta; 28046, Madrid

Neinor Homes has published its Ethical Channel Management Procedure, which regulates the functioning of the Ethics Channel, on its website.

Reports identifying and not identifying the whistleblower are formally accepted, total confidentiality and anonymity of the person providing the information is guaranteed, and the system also permits reports to be filed without identifying the whistleblower. Whistleblowers reports are received by the GRC (Governance, Risk and Compliance), Internal Audit and Sustainability Department, and their analysis is a priority for the company. Where appropriate, the matters concerned may be submitted to the Monitoring and Control Department for a decision.

The complaints received through the ethics channel do not normally relate to reportable events that go against the principles set out in the company's code of ethics but are more related to after-sales operational incidents due to incidents after the delivery of homes. These incidents, when they affect aspects of habitability, are monitored by GRC management to ensure that a response is given and that our procedures are complied with.

In the event of an allegation that does impinge on the company's ethical principles, the facts are analysed by GRC management, which prepares a report and passes it to the CEO and/or the Audit and Control Committee, depending on the relevance and seriousness of the incident.

In 2023, no complaints were received in areas related to ethics, legality or regulatory compliance, but we did receive complaints about matters affecting our customers in or after the purchase of their home, which were among the complaints that are permitted to be reported under our Channel management procedure..

As a result of the complaints received, certain internal company procedures were improved. No complaints have been received regarding discrimination, human rights violations, corruption or bribery, or breaches of the Code of Ethics.

In addition to the external and internal Ethics Channel, the company has implemented a confidential internal confidential channel for the communication of inefficiencies, non-compliance with procedures, malpractice and inappropriate conduct on the part of employees. Access to this channel is restricted to the GRC Department and to the Quality Manager.

- **Periodic training and refresher programmes for employees involved in the preparation and review of financial information, and in FIICS assessments. These courses, or at least accounting rules, auditing, internal control and risk management.**

When the Internal Audit Department was set up it organized an FIICS training course covering matters concerned in the preparation and review of financial information.

Meanwhile, the Internal Audit Department and the external Auditor gave a course to the accounts department when the company was listed on the stock exchange last year, dealing with the obligations of listed companies in relation to the financial information reported to the market and corporate good governance.

In addition, the staff involved in preparing and reviewing the financial information receive periodic training and refresher courses on accounting rules, internal control, risk management and regulatory Compliance.

Mandatory training, which is given on an annual basis, is on compliance, ethics, competition, conduct of business rules in securities markets, prevention of money laundering, cybersecurity and data protection.

In relation to the people who make up the GRC team, responsible for ensuring regulatory compliance in the company, in this financial year they have received training on:

- ✓ Conflicts of interest and related parties.
- ✓ Data protection.
- ✓ Regulatory compliance and legal risk in the company's environment.
- ✓ Whistle-blowing channel.
- ✓ Supervision of non-financial information.
- ✓ Prevention of money laundering.

Regarding the company's directors, on joining the company, a welcome protocol is in place which includes training on ethics, compliance, good governance, the use of privileged and confidential information, the company's internal control structure and their responsibilities and obligations as company directors, information which they ratify in various documents which they sign.

In the current financial year, the company's directors have received training on:

- ✓ Group Ethics and Compliance.
- ✓ Anti-money laundering and counter-terrorist financing.
- ✓ Cybersecurity.
- ✓ Market developments, macroeconomic situation and forecasts for the real estate sector.
- ✓ Update on ESG trends and regulatory changes: CSRD regulations, taxonomy and emissions.
- ✓ Valuation and appraisal of assets in 2023. General 2024 trends in the sector and applied to Neinor Homes.

F.2. Assessment of financial reporting risks

Report at least the following:

F.2.1 Principal features of the risk identification process, including error and fraud, with regard to:

- **Existence and Documentation of the process.**

Neinor Homes has a procedure in place to establish the scope of the processes to be included in the FIICS and to identify the relevant business cycles.

The company has also defined a matrix of controls associated with potential risks and accounting or administrative processes in each procedure included in the FIICS. This matrix is reviewed annually. The officers responsible for execution and supervision, associated policies / procedures in place and the audit evidence required have been

established for each control.

The company has established a risk management methodology, which is applied in the process of design and implementation of all internal control and regulatory compliance structures. In this regard, we may highlight the following:

- Consideration of internal and external information for the identification of risks
- Consideration of assessment scales for the evaluation of risks
- Risk prioritization interviews and workshops
- Consideration of financial and reputational impacts in relation to the classification of risks
- Consideration of past, present and future probabilities in the analysis of risk materialization

All of the company's compliance environments, including the FIICS, form part of an integrated internal control and ongoing risk management system. The principal characteristics of this system are as follows:

- Identification of the corporate / strategic risk, strategic objectives, procedures, controls and evidence associated with each risk event, which are included in a controlled schedule to avoid duplication between the controls and risks defined for each regulatory compliance and operational environment.
- Implementation of processes and procedures allowing ongoing identification of the risks materializing and their consideration in the redesign and improvements of the internal control system, as well as the pertinent corrective actions.
- Monitoring and ongoing reporting to the company's Audit and Control Committee on the system's functioning and the risks materializing.

Section E above explains the company's Risk Control and Management Systems in more detail.

- **Whether the process covers all financial reporting objectives (existence and occurrence, integrity, measurement, presentation, details and comparability, and claims and obligations), and the frequency with which procedures are updated.**

The process defined and Neinor Homes covers all financial reporting objectives:

- ✓ Existence and occurrence: The transactions, events and other matters reflected in the information actually exist and are recognized at the appropriate time.
- ✓ Integrity: The information reflects all transactions, events and other matters to which the entity is party or which affect the same.
- ✓ Measurement: Transactions, events and other matters are recognized and measured in accordance with applicable accounting rules.
- ✓ Details, presentations and disclosure: Transactions, events and other matters are classified, presented and disclosed in the information in accordance with applicable rules.
- ✓ Claims and obligations: The information reflects claims and obligations through the appropriate asset and liability captions in accordance with applicable accounting rules.

These objectives are reviewed and updated when significant changes arise in the company's operations resulting in impacts on the financial information reported. In this regard, during the current year, due to the approval of the new strategic plan, there have been changes that have led to new dynamic ICFR controls and new controls have been incorporated.

- **Existence of a process to establish the scope of consolidation, taking into consideration, inter alia, the possible existence of complex corporate structures, instrumental entities and special purpose vehicles.**

The identification of the consolidation perimeter with details of company shareholdings is carried out at least annually or when corporate transactions affecting share capital or reserves take place, which are communicated as soon as they occur by the Legal Management or to the Financial Management, providing the deeds and documentation supporting the transaction.

In this way, the company ensures that its equity situation is kept up to date, and the GFD proceeds to consolidate the new companies in the financial statements and to recognize the transactions concerned on an appropriate basis.

The structure of Neinor Homes' consolidated group does not include any complex corporate structures that could give rise to any interpretations or value judgments such as might affect comprehension of the financial statements. All corporate transactions and operations which could result in changes to the scope of consolidation were discussed with our external auditors to ensure appropriate recognition in the Annual Accounts.

- **Whether the process takes into consideration the effects of other types of risks (operational, technological, financial, legal, tax, reputational and environmental risks, etc.) insofar as they might affect the financial statements.**

The FIICS is one of the components of Neinor Homes integrated control system (ICS). As mentioned in section E.1 above, the system also takes into account the principal risks associated with regulatory compliance, such as the risk of fraud and corruption, money-laundering, data protection, etc., as well as corporate risks and those proper to the operations and business of the company (e.g. acquisitions of land, products, sales and purchases).

For a detail of the risks identified at the corporate level, see section E.3.

- **Which of the entity's governance bodies supervises the process?**

As mentioned in section F.1.1, the Board of Directors is the ability responsible for supervising the FIICS via the Audit and Control Committee (ACC) to ensure that the principal risks are adequately identified, managed, measured and reported. In order to carry out this function, the Audit and Control Committee (CAC) relies on the company's GRC and Internal Audit Department, which annually reviews the effectiveness and efficiency of the operation of the Internal Financial Information Control System (SCIIF).

F.3. Control activities

Explain at least the following, describing key characteristics:

F.3.1. Procedures involved in the review and authorization of the financial information to be published in the stock market and description of the FIICS, indicating the officers responsible, and of the documentation describing workflows and controls (including controls relating to the risk of fraud) involved in the different types of transactions which could materially affect the financial statements, including the procedures applied in the accounting close and in specific reviews of the use of relevant judgements, estimates, valuations and projections.

In accordance with Article 14.5.iii of the Board's Regulations, responsibility for supervising the preparation and presentation of regulated financial and non-financial information is delegated to the ACC in order to safeguard its integrity. The Committee relies on the support of the General Finance Department and the Internal Audit Department to discharge this function.

The review and authorization procedure for financial information consists initially of double verification by the Accounts Unit and Accounts Department, followed by a review carried out by the company's Management Control Unit and final verification by the Finance Department.

Financial results are reported to the Audit and Control Committee each month.

Before the approval of quarterly financial information by the Board of Directors and its subsequent publication, the Audit and Control Committee meets each quarter to review and authorize said financial information. This information is provided sufficiently in advance to allow a reasonable margin for analysis.

The GRC and Internal Audit Department or an external expert reviews the efficiency and effectiveness of the ICFR on an annual basis, reporting its findings to the Audit and Control Committee.

At the close of the year, the company had 167 procedures / policies and manuals, non-compliance with which could have a direct or indirect impact on the financial statements. The General Finance Department is responsible for 17 such procedures, covering the Department's principal functions such as accounting, the financial information control system, guarantees, financial debt, payments and collections, receipt of invoices, dividends, bank reconciliations and cash flow, among others. In addition, as of the date of formulation, the company has designed three new controls related to the sale of one-off transactions, valuation and hedge accounting of derivatives, as well as transfers between inventories and investment property due to changes in use. These controls will be implemented in financial year 2024.

In the area of closing procedures, Neinor Homes has established a schedule sitting out key milestones and dates to be met in each monthly accounting close. In this regard, the Accounts Department closes out accounting periods sequentially by working group in line with the schedule dates in order to avoid errors in the accounting information. Meanwhile, the management system used does not allow the members of the working groups to make accounting entries where they were themselves responsible for closing the accounting period concerned. Each person responsible for making accounting entries verifies that the closing checklist has been properly followed.

Also, specific individual control measures exist to ensure supervision of the calculations made in relation to estimates and

provisions (e.g. provisions for bonuses and accrued salaries payable, for legal contingencies and for tax contingencies). The financial information collected independently by the different departments and units involved is then subjected to an overall review, in which it is validated by the Management Control Department before being passed onto the Accounts Department. An analytic review is also carried out by the Strategic Financial Planning Department and by the Internal Audit Department.

F.3.2. Internal control policies and procedures relating to the information systems supporting relevant corporate processes involved in the preparation and publication of financial information (e.g. access security, change tracking, system operation, operational continuity and segregation of functions).

Most of Neinor Homes' business activities are supported by information systems, which provide the basic support for its internal operations, services management and marketing operations. The information handled by the different systems and applications, as well as the communications infrastructure, represent the principal asset used in the normal conduct of business operations, together with the company's people.

In this connection, the company has prepared a Security Policy, which covers the organizational structure, human and technical resources, processes, plans, procedures and protocols related with prevention and response measures to combat relevant physical, logical, compliance and good governance risks.

Security requirements and objectives are determined by the Information Security Committee based on the criteria established in Neinor Homes' policies and the needs detected by the officers responsible for information assets and for business processes. Their scope takes in all activities related with physical and information security, focusing especially on logical security. These requirements and objectives are applicable not only to the Organization's own Security activities and services directly, but also to third-party providers, who follow the guidelines and instructions provided from the standpoint of an advanced, all-round and integrated approach.

The purpose of this policy is to ensure adequate protection of Neinor Homes' information assets within the scope defined by the Information Security Management System, applying the following security principles:

- Confidentiality: ensure that information can be accessed only by authorized persons. The procedures established relate to:
 - Physical and logical access controls
 - Information marking
 - Supports management and Destruction
- Integrity: assure the accuracy and completeness of information and processing methods.
 - Management of ERP patches and vulnerabilities
 - Change management procedures (new developments, mobility applications, etc.)
 - Security of development and support processes
- Availability: ensure that authorized users can access systems when they require information and associated assets. The scope of procedures yes associated with the availability guarantee comprises:
 - Backup Plan
 - Contingency Plan
 - Business Continuity Plan
 - Sundry Detection, Evaluation and Response procedures relating to disruptive incidents
- Privacy: ensure appropriate treatment of personal data

These basic principles must be protected and assured whatever the format of the information, whether electronic, printed, visual or verbal, regardless of whether processing is carried on at Neinor Homes' facilities or elsewhere.

The company has established high levels of security for access, continuous training in cybersecurity, reviews of information sent, protocols for the use of mobile devices, daily security copies of servers, restriction of access to external devices, etc.

Neinor Homes has established authorization processes for the approval of the invoices and payments, which are parameterized in the IT tool utilized, allowing identification of the persons involved in each Department and determination of the segregation of functions.

Since the beginning of Neinor Homes' activity, every year the company has been certified by ISO 27001 for Information Security. This certification was recently renewed in December 2023.

The certifier and assessor has been the company BSI, which indicates the following sections:

"The ISMS, in its current phase of implementation, has effectively demonstrated the company's internal processes. Significant pre-audit work prior to the audit has been identified, giving the ISMS a high degree of compliance.

The maturity level is assessed as medium-high, highlighting the effort and dedication invested in the system."

"The risk management and continuity system has shown a high degree of maturity."

"The audit has shown a significant commitment and effective management of information security at NEINOR HOMES".

In addition, Neinor Homes periodically conducts cybersecurity audits with the company Tarlogic to test its IT defence systems, the last audit having taken place in October 2023.

Lastly, in the 2023 financial year, Neinor Homes underwent a voluntary audit conducted by BDO on compliance with data protection regulations, the conclusion of which was as follows:

"The review carried out on Neinor Homes, Quabit Construcción and Renta Garantizada, with regard to compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 and Organic Law 3/2018 of 5 December on Data Protection and the Guarantee of Digital Rights, reflects the interest of all of them in complying with the legislation and the work carried out to achieve this objective."

F.3.3. Internal control policies and procedures relating to supervision of the management of activities subcontracted to third parties, as well as assessments, calculations and evaluations entrusted to independent experts, where the same could materially affect the financial statements.

Neinor Homes has established a procedure for the selection, approval and assessment of providers / third parties (e.g. architects, construction firms, marketing firms, advisors and so on). This procedure allows an objective appraisal of external firms for the purposes of selection and contracting of those considered most suitable for the provision of services in accordance with the law and the company's own internal procedures (which include appropriate processing of financial information and the prohibition of disclosure without authorization, among other matters).

Neinor Homes understands that the scope of the internal control procedures applicable to third parties should include material providers, strategic providers having a potentially significant impact on financial information or at the reputational level, providers using confidential information or providing relevant professional services, as well as external auditors, independent asset appraisers and so forth, all of whom must be required to show their experience, independence and reputation in the market.

The reports issued by independent experts are reviewed by company personnel with relevant experience and technical expertise relating to the matters concerned.

The company has a Code of Conduct for third parties, which establishes the ethical standards that significant business partners are required to maintain when they provide services of any kind to Neinor Homes. These principles include compliance with legal and tax obligations, and the avoidance of any criminal offences, fraud or corruption. This Code is accepted and signed by all strategic parties with whom the company works.

F.4. Information and communication

Explain whether the entity has at least the following, describing key characteristics:

F.4.1. A specific department responsible for defining accounting policies and keeping them up to date (accounting policy unit or department), and for the resolution of concerns or conflicts arising in relation to their interpretation, maintaining fluid communication with the organization's operational managers, as well as a current manual of accounting policies duly issued to all of the entity's business units.

The General Finance Department (GFD) of Neinor Homes establishes the applicable accounting processes, policies and rules, and it is responsible for coordinating with the various departments involved in the preparation of financial information. Meanwhile, the GFD's Administration and Accounting Unit is responsible for defining accounting policies and resolving any concerns arising with respect to their interpretation.

In this regard, Neinor Homes has an Accounting Policy Manual prepared internally but checked by independent accounting experts. This Manual is periodically reviewed and defines the classification and measurement criteria applicable in the preparation of the financial statements.

The staff involved in the preparation and review of the financial information are kept constantly abreast of changes in accounting and tax rules by means of ongoing communication with the company's tax advisers, its external auditor and via the alerts and notifications received from leading audit firms and professional services providers.

The Audit and Control Committee is charged with supervising and reviewing the annual accounts in conformity with prevailing legislation and with generally accepted accounting principles.

Where the application sheet of regulations involves interpretation of a certain complexity, the company seeks the advice of its external auditor and other advisers, or of the regulatory authority.

F.4.2. Mechanisms for the collection and preparation of applicable standard format financial information for use by all the company's departments and by the group to support the financial statements and the explanatory notes thereto, as well as the FIICS information.

The process concerned in the preparation of financial information is duly defined in Neinor Homes, including a description of all standardized activities involved in the accounting close and in the preparation of the financial statements, as well as the officers assigned to the preparation and review of the same.

A common IT tool (ERP) this is used to process the financial information reported (PRINEX) by all of the group companies, which facilitates subsequent consolidation.

Furthermore, a single Chart of Accounts is used, which has been implemented for the preparation and management of accounting functions in all the group companies.

F.5. Supervision of the system's functioning

Explain at least the following, describing key characteristics:

F.5.1. Supervisory activities undertaken in relation to the FIICS by the audit committee, and whether the entity has internal audit unit whose competences include supporting said committee in its supervision of the internal control system including the FIICS. Also, explain the scope of the FIICS evaluation carried out in the year and the procedure by which the party responsible for such evaluation reports its findings, whether the entity has an action plan establishing eventual corrective measures, and the consideration given to the possible impact on the financial information.

As explained in section F.1.1 above, the Board of Directors of Neinor Homes oversees the implementation and the application of the FIICS with the support of the Audit and Control Committee (ACC), which in turn delegates monitoring tasks to the Internal Audit Department.

The GRC and Internal Audit Department is thus an objective unit which is independent of all other departments, in as much as it reports directly to the Audit and Control Committee and indirectly but functionally to the Board of Directors.

The functions assigned to the Internal Audit Department include supervision of the functioning of the FIICS to assess the effectiveness of the internal control system and obtain reasonable assurance of the efficiency with which resources are used, the reliability of the financial information and compliance with applicable laws and regulations, and internal policies and procedures.

In the current fiscal year, the internal audit function has tested certain controls in different companies of the Group.

Each year the FIICS review addresses the design and efficacy of controls and the integrity of the evidence supporting said controls.

In the current and previous fiscal years, additional verification has been carried out:

- The integrity and accuracy of the information reported in section F of the ACGR
- Alignment between the design of the controls included in the matrix and the risks which they are intended to mitigate or eliminate, in order to obtain reasonable assurance of the fulfilment of design purposes
- Integrity of the evidence supporting the controls

Based on these reviews, a series of measures have been proposed to improve the ICFR model derived from the recommendations made by the GRC function, which will be implemented in the next fiscal year if approved by the Finance Department and the Audit Committee.

F.5.2. Whether the entity has a discussion procedure allowing the auditor (in accordance with technical audit standards or NTA in the Spanish acronym), the internal audit department and

other experts to communicate with senior management, the audit committee and the directors to report any significant internal control weaknesses observed in the course of their review procedures carried out in relation to the annual accounts and any other matters required of them. Also, report whether there is any action plan in place to correct or mitigate the weaknesses observed.

As established in the regulations of the Board of Directors, the Audit and Control Committee will supervise the effectiveness of the internal control of the Company and its group, the internal audit and risk management systems, as well as discuss with the auditor any significant weaknesses in the internal control system detected in the course of the audit, among other things.

Therefore, Neinor Homes prepares a quarterly report for Senior Management and the Audit and Control Committee, in which the Internal Audit Department presents its analysis and follow-up on the internal control and risk management system implemented, as well as the key issues identified and the action plans drawn up.

This report also includes the findings from other mandatory regulatory compliance audits carried out in partnership with the Compliance Department (e.g. data protection, money laundering, etc.).

The external auditors also report their findings on the interim and annual financial statements, as well as any weaknesses observed during the audit.

The GRC and Internal Audit Department and the external auditor also hold regular meetings with the ACC without the presence of senior management to discuss the functioning of control systems.

In addition to their presence at the committee meetings held in 2022, the external auditors also held three meetings with the ACC or the GRC Management without the presence of senior management, and the internal audit function has maintained an ongoing flow of communication with the audit committee, reporting on various issues such as the requirements received from supervisory bodies, the risks identified and the audits performed, as well as analyses of new regulations and training carried out.

Various protocols and policies are in place to deal with weaknesses and incidents of non-compliance related with ethical issues and fraud.

Finally, compliance is analysed and supervised in relation to conflicts of interest and related parties, as well as compliance with the Internal Code of Conduct established by the entity as a public company. These matters are periodically reported to the Audit and Control Committee for its information and approval, when applicable.

F.6. Other relevant information

Not applicable.

F.7. External auditor's report

Report of Deloitte, S.L., see annex I.

F.7.1. Whether the FIICS information published in the markets was subjected to a review by the external auditor, in which case the entity should include the pertinent report in an annex. Otherwise, explain the reasons.

In order to provide the greatest possible transparency in the preparation of its financial statements to all stakeholders, the Group's management has decided to submit the information relating to the ICFR included in this section F of the Annual Corporate Governance Report for financial year 2023 prepared by the Group's management for review by the external auditor. Attached to this Annual Corporate Governance Report is the auditor's report on the information relating to the internal control over financial reporting system (ICFR) of Neinor Homes S.A. for the year ended 31 December 2023.

The external auditor's strategy since 2016 to focus the audit is based on reliance on controls, and information is therefore collected to establish how the entity addresses the risk of errors in relation to each of the significant business cycles (e.g. procurements, standard sales and stocks).

G IMPLEMENTATION OF CORPORATE GOVERNANCE RECOMMENDATIONS

State the degree of implementation by the company with respect to the recommendations contained in the Code of Good Governance for listed companies.

Provide a detailed explanation of the reasons if any recommendation is not followed, or is only partially followed, so that the shareholders, investors and markets in general are provided with sufficient information to evaluate and assess the company's actions. General explanations will not be considered acceptable.

1. The bylaws of listed companies should not limit the maximum number of votes which may be cast by a single shareholder or contain any other restrictions which might hinder a takeover of the company by means of the acquisition of shares in the market.

 Cumple
 Explique

2. That when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it publicly and accurately discloses:

- a) The respective areas of business and potential business relationships between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other.

- b) The mechanisms you established to resolve any potential conflicts of interest that could arise.

 Cumple
 Cumple parcialmente
 Explique
 No aplicable

3. During the annual general meeting, the chairman of the Board of Directors should supplement the published annual corporate governance report with a sufficiently detailed verbal report to the shareholders on key corporate governance issues in the company, including the following:

- a) Changes occurring since the last annual general meeting.

- b) The specific reasons why the company does not follow any of the Corporate Good Governance recommendations, and whether any alternative rules are applied to the matters in question.

 Cumple
 Cumple parcialmente
 Explique

4. That the company defines and promotes a policy of communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, that fully respects the rules against market abuse and gives similar treatment to shareholders in the same position. And that the company makes this policy public on its website, including information on how it has been put into practice and identifies the parties or persons responsible for implementing it.

And that, without prejudice to the legal obligations to disclose inside information and other types of regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that contributes to maximising the

dissemination and quality of the information available to the market, to investors and to other stakeholders.

Cumple **Cumple parcialmente** **Explique**

5. The Board of Directors should not seek the delegation from annual general meetings of powers to issue shares or convertible bonds where such issues exclude preferential subscription rights and exceed 20% of share capital at the time of delegation.

Where the board of directors approves any issue of shares or convertible securities involving the exclusion of preferential subscription rights, the company should immediately publish the reports on such exclusion required in accordance with prevailing companies' legislation on its website.

Cumple **Cumple parcialmente** **Explique**

6. Listed companies preparing the reports mentioned below, whether on a mandatory or voluntary basis, should publish the same on their corporate website sufficiently in advance of the date of the annual general meeting, even where publication is not mandatory:

- a) Report on auditor independence
- b) Reports of the functioning of the audit and appointments and Remunerations Committees
- c) Audit committee report on related-party transactions

Cumple **Cumple parcialmente** **Explique**

7. The company should broadcast shareholders' general meetings live on its website.

And that the company has mechanisms that enable proxy voting and voting by electronic means and also in the case of large capitalisation companies and to the extent proportionate, attendance and active participation in the General Shareholders' Meeting

Cumple **Explique**

8. That the audit committee ensures that the annual accounts submitted by the board of directors to the general shareholders' meeting are drawn up in accordance with accounting regulations. In those cases where the auditor has included a qualification in its audit report, the chairman of the audit committee clearly explains to the general shareholders' meeting the audit committee's opinion on its content and scope, making a summary of this opinion available to shareholders at the time of publication of the notice of call to the meeting, together with the rest of the proposals and reports of the board.

Cumple **Cumple parcialmente** **Explique**

9. The company should publish the requirements and procedures required to establish ownership of shares, the right of attendance at shareholders' general meetings and arrange proxy votes on its website on a permanent basis.

Such requirements and procedures should be designed to foster attendance and the exercise of voting rights by shareholders, and they should be applied on a non-discriminatory basis.

Cumple **Cumple parcialmente** **Explique**

10. Where any shareholder may legitimately have exercised the right to make any addition to the agenda or to present new proposals for resolutions before the date of the annual general meeting, the company should:

- a) Immediately publish such additional agenda items and new proposals for resolutions.
- b) Publish the form of the attendance card, proxy voting form or remote voting form containing the necessary changes to allow voting on the new points on the agenda and alternative proposals, in accordance with the terms proposed by the board of directors.
- c) Submit all such agenda items or alternative proposals to a vote applying the same voting rules as in the case of proposals made by the board of directors, including in particular any assumptions or deductions with regard to the nature of votes.
- d) After the General Shareholders Meeting, the company should provide a breakdown of votes cast on any such additional agenda items or alternative proposals.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

11. If the company intends to pay any premiums for attendance at the annual general meeting, it should establish a general policy regarding such premiums in advance and apply said policy on a stable basis.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

12. The board of directors should perform its duties with unity of purpose and independence, according all shareholders the same treatment. It shall be always guided by the company's best interest, to be understood as establishing a profitable business that is sustainable in the long run, promoting business continuity and maximizing the company's value.

In pursuit of the corporate interest, the company should not only abide by applicable laws and regulations and act in good faith, ethically and with due respect for custom and generally accepted best practice, but also seek to reconcile said corporate interest with the legitimate interests of its employees, suppliers, customers and other stakeholders potentially affected by the conduct of affairs, and with the impact of the company's activities on the community as a whole and on the environment.

Cumple **Cumple parcialmente** **Explique**

13. The Board of Directors should be of an appropriate size to ensure effective functioning and participation, which makes it advisable that it should have between five and fifteen members.

Cumple **Explique**

14. The board of directors should approve a policy for the selection of directors which:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election of members are based on a prior analysis of the board's needs.
- c) Encourages diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The result of the prior analysis of the needs of the board of directors should be included in the nomination committee's explanatory report published when convening the general meeting of shareholders at which the ratification, appointment or re-election of each director is to be submitted.

Compliance with the director selection policy shall be verified annually by the nomination committee and reported in the annual corporate governance report.

Cumple **Cumple parcialmente** **Explíque**

- 15.** Proprietary and independent directors should represent an ample majority on the board of directors, and the number of executive directors should be the lowest possible taking into consideration the complexity of the corporate group and the percentage of shares in the company held by the executive directors.

And that the number of female directors accounts for at least 40% of the members of the board of directors by the end of 2022 and thereafter, and is no less than 30% prior to this.

Cumple **Cumple parcialmente** **Explíque**

In the financial year that has ended, the number of female directors did not reach 40% of the total number of board members and, as there were no departures from the board, the company did not have the opportunity to add a female director to the Board. The number and diversity (except for gender) of the Board members is considered appropriate, as has been evidenced by the various evaluations of the functioning of the Board and its Committees carried out by the Appointments and Remuneration Committee assisted by external experts of recognised prestige, and internally by the Governance, Risk and Compliance area.

Regarding new board members, the Company will encourage diversity of gender, experience and knowledge among its directors and will ensure that there are no implicit biases that could lead to any kind of discrimination, especially in the selection of female directors.

For future appointments (not foreseen in the short term), female candidates must always be considered and given equal qualifications, must be selected.

- 16.** The percentage of proprietary directors out of the total non-executive directors should not be greater than the proportion between the shares in the company represented by said proprietary directors and the rest of the share capital.

This criterion may be relaxed in the following circumstances:

- a) In companies with significant capitalization in which there are very shareholdings that would legally be defined as significant.
- b) In the case of companies where numerous unrelated shareholders are represented on the board of directors.

Cumple **Explíque**

- 17.** Independent directors should make up at least half of the total number of directors.

Nevertheless, where a company is not a large capitalization concern, or if it is, where a single shareholder or several acting in concert control more than 30% of share capital, the number of independent board members should represent at least one third of the total board members.

Cumple **Explíque**

- 18.** Companies should publish the following information about directors on their corporate websites, keeping always said information up to date:

- a) Professional and biographical profile.
- b) Other boards of which directors are members, whether or not in listed companies and any other remunerated activities undertaken, whatever their nature.
- c) Indication of the category of director to which each board member belongs, stating the shareholder represented or with whom a director has links in the case of proprietary directors.

d) Date of first appointment as a director of the company, and dates of any subsequent reappointments.

e) Shares and stock options held in the company.

Cumple

Cumple parcialmente

Explique

19. Subject to verification by the appointments committee, the annual corporate governance report should explain the reasons for the appointment of proprietary board members at the request of shareholders holding equity interests of less than 3% of share capital. Likewise, the reasons for the refusal, where applicable, of any formal requests for seats on the board made by shareholders holding interests of equal size or greater than the interests owned by other shareholders at whose request proprietary board members were appointed.

Cumple

Cumple parcialmente

Explique

No aplicable

20. Proprietary directors should tender their resignation whenever the shareholder represented transfers its interest in share capital. An appropriate number of proprietary directors should also do so where the shareholder represented lowers its shareholding to a level requiring a reduction in the number of proprietary directors.

Cumple

Cumple parcialmente

Explique

No aplicable

21. The Board of Directors should not propose the removal of any independent director before the end of the statutory term of office for which the same was appointed, except with good cause established by the board subject to a report of the appointments committee. In particular, good cause shall be deemed to exist where the director takes up any new office or contracts new obligations which would prevent him/her from dedicating the time necessary to discharge the functions proper to the office of director or fails to discharge the duties inherent in his/her office or is affected by any circumstances in view of which he/she might lose the condition of independence within the meaning of applicable legislation.

The removal of independent directors may also be proposed because of any public takeover bid, merger or similar corporate transactions which would entail a change in the company's capital structure, where such changes in the make-up of the board of directors are obey the principle of proportionality mentioned in recommendation 16.

Cumple

Explique

22. Companies should establish rules obliging directors to report and, where applicable, to resign in any circumstances that could detrimentally affect the credit and reputation of the company and requiring them to notify the board of directors of any criminal charges that may be brought against them and explain the progress of trial proceedings.

And that the board, having been informed of or otherwise having knowledge of any of the situations mentioned in the preceding paragraph, examines the matter as promptly as possible and, in view of the circumstances, decides, after a report from the Appointments and Remuneration Committee, whether or not to take any action, such as initiating an internal investigation, requesting the resignation of the director or proposing his or her removal. And that a report is included in the annual corporate governance report, unless there are special circumstances justifying it, which must be recorded in the minutes. This is without prejudice to any information that the company must disclose when the corresponding measures are adopted.

Cumple

Cumple parcialmente

Explique

23. All directors should clearly express their objections when they consider that any proposal submitted to the board for a decision is contrary to the corporate interest. In particular, the independent and other directors who are not affected by a potential conflict of interests should likewise object wherever they consider that any decisions might be detrimental to the interests of other shareholders not represented on the board of directors.

Where the board of directors adopts any significant decision in relation to which a director may have expressed serious reservations, or where it may repeat any such decision, the director concerned should consider their position and, if they opt to resign, they should explain their reasons in the letter mentioned in the next recommendation.

This recommendation also applies to the secretary to the board of directors, even where the same is not a director.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

24. That when, either by resignation or by resolution of the general shareholders' meeting, a director resigns before the end of his or her term of office, he or she sufficiently explains the reasons for his or her resignation or, in the case of non-executive directors, his or her opinion on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

And that, without prejudice to the disclosure of all the above in the annual corporate governance report, insofar as it is relevant for investors, the company publishes the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

25. The appointments committee should ensure that non-executive directors have sufficient time available for the appropriate discharge of their duties.

The Board's Regulations should establish a maximum number of other companies' boards on which the directors may hold seats.

Cumple **Cumple parcialmente** **Explique**

26. The board of directors should meet as often as necessary to perform its functions effectively and at least eight times per year, following a schedule of dates and issues established at the start of the year. However, each director may also individually propose other initially unscheduled items for inclusion in the agenda.

Cumple **Cumple parcialmente** **Explique**

27. Failure on the part of board members to attend meetings should be confined to unavoidable cases and non-attendance should be quantified in the annual corporate governance report. Proxies should be arranged with instructions in the event of inability to attend.

Cumple **Cumple parcialmente** **Explique**

28. Where the directors or the secretary express any concerns over a proposal, or in the case of directors, over the conduct of the company's affairs, and such concerns are not resolved at a meeting of the board of directors, the concerns raised shall be recorded in the minutes at the request of the party expressing the same.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

29. The company should establish appropriate channels to allow the directors to obtain the necessary advice to discharge their duties, including external advisory services payable by the company where circumstances so require.

Cumple **Cumple parcialmente** **Explique**

30. Irrespective of the expertise required of directors for the discharge of their duties, companies should offer the directors training programmes to refresh their knowledge and skills, where circumstances so require.

Cumple **Cumple parcialmente** **Explique**

31. The agenda for board meetings should clearly indicate the points on which the board of directors is required to adopt a decision or resolution, so that the directors can examine or obtain the necessary information in advance.

Where the chairman may wish in exceptional circumstances and for reasons of urgency to propose decisions or resolutions which are not included in the agenda for approval by the board of directors, the express prior consent of most of the board members present shall be required and shall be recorded in the minutes.

Cumple **Cumple parcialmente** **Explique**

32. Board members should be periodically informed of changes in the shareholder structure and of the opinions of the company held by significant shareholders, investors and credit rating agencies.

Cumple **Cumple parcialmente** **Explique**

33. As the officer responsible for the effective functioning of the board of directors, the chairman shall exercise the functions attributed by law and the bylaws and should prepare and submit to the board of directors a schedule of dates and an agenda, organize and coordinate periodic assessments of the board, and where appropriate, of the company's chief executive officer. The chairman should likewise direct the work and effective functioning of the board, ensuring that sufficient time is given over to the discussion of strategic issues, and agreeing and reviewing the programmes established to refresh the knowledge of each director where circumstances so require.

Cumple **Cumple parcialmente** **Explique**

34. Where there is a coordinating director, the bylaws or Board's Regulations should attribute the following functions to said officer in addition to the powers legally assigned to the same: to chair the board of directors in the absence of the chairman and deputy chairs, where applicable; to take note of the concerns voiced by non-executive directors; to maintain contacts with investors

and shareholders in order to learn their points of view and form an opinion of their concerns, in particular with regard to corporate governance of the company; and to coordinate the plan for succession of the chairman.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

35. The secretary to the board of directors should oversee the board's actions and decisions, ensuring that they are based on the good governance recommendations applicable to the company as set forth in the Code of Good Governance.

Cumple **Explique**

36. The board of directors shall meet once per year in full session to evaluate and, where appropriate, adopt an action plan to correct any weaknesses identified with respect to:

- a) The quality and effectiveness of the board's functioning.
- b) The functioning and membership of its committees.
- c) The diversity of the board's membership and competences.
- d) The performance of the chairman of the board of directors and of the company's chief executive.
- e) The performance and contribution of each director, paying special attention to the heads of the various board committees.

Assessments of the different committees should be based upon the reports submitted by the same to the board of directors, while the evaluation of the board itself shall be based on the report submitted by the appointments committee.

Every three years, the board of directors should be assisted in its evaluation by an external consultant, whose independence should be verified by the appointments committee.

Business relations maintained by the company or any group company with the consultant or any company forming part of the consultant's group shall be duly disclosed in the annual corporate governance report.

The processes and areas evaluated should be described in the annual corporate governance report.

Cumple **Cumple parcialmente** **Explique**

37. That when there is an executive committee, at least two non-executive directors sit on it, at least one of whom is independent; and its secretary is the secretary of the board of directors.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

38. The board of directors should always be apprised of the matters debated and decisions taken by the executive committee, and all directors should receive copies of the minutes to meetings of the executive committee.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

39. That the members of the audit committee, and especially its chairman, are appointed considering their knowledge and experience in accounting, auditing or risk management, both financial and non-financial.

Cumple Cumple parcialmente Explique

40. A unit should be set up under the supervision of the audit committee to perform the internal audit function and oversee the proper functioning of information and internal control systems. The internal audit unit should report functionally to the non-executive chairman of the board or to the audit committee.

Cumple Cumple parcialmente Explique

41. That the head of the unit responsible for the internal audit function presents his/her annual work plan to the audit committee for approval by the committee or by the board, reports directly to it on its implementation, including any incidents and limitations on scope arising in the course of its implementation, the results and follow-up of his/her recommendations, and submits activities report to it at the end of each year.

Cumple Cumple parcialmente Explique No aplicable

42. In addition to those established by law, the audit committee should perform the following functions:

1. In relation to information systems and internal control:

- a) To supervise and assess the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
- b) To ensure the independence of the unit assuming the internal audit function; proposing the selection, appointment and removal of the head of the internal audit department; proposing the budget for internal audit; approving or proposing approval to the board of the annual internal audit orientation and work plan, ensuring that its activity is primarily focused on relevant risks (including reputational risks); receiving regular information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- c) To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers and contractors or subcontractors, reporting any potentially significant irregularities, including financial and accounting irregularities, or of any other type, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the whistleblower and the reported party.
- d) To ensure in general that the established internal control policies and systems are effectively implemented in practice.

2. In relation to the external auditor:

- a) To examine the circumstances and reasons in the event the external auditor should resign.
- b) To ensure that the external auditor's fees for its work do not compromise quality or its

independence.

- c) To oversee reporting by the company of any change of auditor to the CNMV, and to ensure that it is accompanied by a statement regarding the possible existence of disagreements with the outgoing auditor, if any, and the contents thereof.
- d) To ensure that the external auditor holds an annual meeting with the whole of the board of directors to report on the audit work carried out and on the evolution of accounting matters and the risks to which the company is exposed.
- e) To ensure that the company and the external auditor respect prevailing regulations governing the provision of non-audit services, the limits on the concentration of the auditor's business and the terms of other regulations governing auditor independence in general.

Cumple **Cumple parcialmente** **Explique**

43. The audit committee should be able to call any employee or executive of the company, and even to require attendance without the presence of any other executive.

Cumple **Cumple parcialmente** **Explique**

44. The audit committee should be informed of all transactions involving structural or corporate changes which the company plans to carry out. The committee shall examine such information and report in advance to the board of directors on the financial terms and accounting impact of such transactions, and on the exchange ratio proposed, if any.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

45. The risk control and management policy should define at least:

- a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by the company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
- b) A tiered risk management and control model, including a specialised risk committee where sectoral rules so provide or where the company deems it appropriate.
- c) The level of risk that the company considers acceptable.
- d) The measures established to mitigate the impact of the risks identified, in the event any should materialize.
- e) The information and internal control systems used to control and manage risks, including contingent liabilities and off-balance sheet risks.

Cumple **Cumple parcialmente** **Explique**

46. An internal control and risk management function headed up by an internal unit or department of the company should be set up under the direct supervision of the audit committee or, where appropriate, of a specialized board committee to take charge of the following functions:

- a) To ensure the proper functioning of risk control and management systems and, in particular, to ensure that the same adequately identify, manage and quantify all significant risks to which the company may be exposed.
- b) To participate actively in the preparation of the risk strategy and significant decisions with

regard to risk management.

- c) To ensure that risk control and management systems adequately mitigate risks within the framework of the policy defined by the board of directors.

Cumple **Cumple parcialmente** **Explique**

47. The members of the appointments and Remunerations Committee (or of the appointments committee and remuneration committee where separate) should be appointed in view of their expertise, skills and experience with regard to the functions they are required to discharge, and the majority should be independent board members.

Cumple **Cumple parcialmente** **Explique**

48. Large capitalization companies should establish a separate appointments committee and remuneration committee.

Cumple **Explique** **No aplicable**

49. The appointments committee should consult with the chairman of the board and the company's chief executive officer, on matters relating to executive board members.

Any director should be able to request that the appointments committee take potential candidates to cover vacancies in the board into consideration, where they understand the same to be suitable.

Cumple **Cumple parcialmente** **Explique**

50. The remuneration committee should exercise its functions independently. In addition to those attributed by law, said functions shall comprise the following:

- a) To propose the basic terms of senior management contracts to the board of directors.
- b) To verify compliance with the remuneration policy established by the company.
- c) Periodically to review the remuneration policy applied to directors and senior executives, including share-based remuneration systems and their application, if any, and to provide assurance that individual remuneration is proportionate and in line with the compensation paid to other directors and senior executives of the company.
- d) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the committee.
- e) To verify information on the remuneration of directors and senior executives contained in corporate documents, including the annual report on directors' remuneration.

Cumple **Cumple parcialmente** **Explique**

51. The remuneration committee should consult with the chairman of the board and the company's chief executive, on matters relating to executive directors and senior management personnel.

Cumple **Cumple parcialmente** **Explique**

52. The rules governing the membership and functioning of supervisory and control committees should be set out in the Board's Regulations and should be consistent with those applicable by law to mandatory committees in accordance with the foregoing recommendations, including:

- a) Membership should comprise exclusively non-executive directors and a majority should be independent board members.
- b) Committee chairpersons should be independent directors.
- c) The board of directors should appoint the members of committees in view of the expertise, skills and experience of directors and the duties entrusted to each committee and should debate their proposals and reports. Each committee should likewise be held to account for its activity and work at the first full meeting of the board held after each of committee meeting.
- d) Committees should seek external advice where considered necessary for the due discharge of their functions.
- e) Minutes should be kept of each meeting and should be provided to all the directors.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

53. That the supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, is entrusted to one or several committees of the board of directors, which could be the audit committee, the appointments committee, a committee specialising in sustainability or corporate social responsibility or any other specialised committee that the board of directors, in the exercise of its powers of self-organisation, decides to create. And that such a committee is composed solely of non-executive directors, the majority of whom are independent, and it is specifically attributed the minimum functions indicated in the following recommendation.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

54. That the minimum functions referred to in the above recommendation are as follows:

- a) Overseeing compliance with the company's corporate governance rules and with the internal codes of conduct and ensuring that the corporate culture is aligned with the purpose and values thereof.
- b) The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the entity communicates and interacts with small and medium-sized shareholders will also be monitored.
- c) The periodic review and evaluation of the corporate governance system and of the company's environmental and social policy, so that they fulfil their mission of promoting the interests of society and consider, where appropriate, the legitimate interests of other stakeholders.
- d) Monitoring that the company's environmental and social practices are in line with the strategy and policy established.
- e) Monitoring and evaluation of stakeholder engagement processes.

Cumple **Cumple parcialmente** **Explique**

55. That the sustainability policies on environmental and social issues identify and include, as a minimum:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees,

customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conduct.

- b) Methods or systems for monitoring compliance with policies, associated risks and their management.
- c) The mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues.
- d) The channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that avoid manipulation of information and protect integrity and honour.

Cumple **Cumple parcialmente** **Explique**

56. Directors' remuneration should be set at the necessary levels to attract and retain directors with the desired profile, and to reward the dedication, qualifications and responsibility required by their office, but it should not be set so high as to compromise the independence of non-executive directors.

Cumple **Explique**

57. Variable remuneration linked to the company's results and personal performance should be confined to the executive directors, as should remuneration systems based on the allocation of shares, options or rights over shares or other instruments linked to the share price, and long-term savings systems such as pension plans or retirement and other prudential schemes.

Share-based remuneration may be considered for non-executive directors subject to the condition that any securities delivered by held until the director concerned leaves office. This condition shall not apply to any securities which the board member concerned may need to dispose of, where applicable, to settle acquisition costs.

Cumple **Cumple parcialmente** **Explique**

58. That the payment of variable components of remuneration are subject to sufficient verification that performance or other pre-established conditions have been effectively met. Institutions will include in the annual directors' remuneration report the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

In particular, variable pay components should:

- a) Be linked to predetermined, measurable performance criteria, and such criteria should take into account the risks assumed to obtain results.
- b) Promote the sustainability of the company and include non-financial criteria related to long-run value creation, as well as compliance with the company's internal rules and procedures, and with its risk control and management policies.
- c) Be structured on the basis of balance between the attainment of objectives in the short, medium and long term, so as to remunerate ongoing success and performance over a sufficient period of time to appreciate the contribution made to the sustainable creation of value and ensure that the performance variables measured do not refer only to one-off, occasional or extraordinary events.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

59. That the payment of variable components of remuneration are subject to sufficient verification that performance or other pre-established conditions have been effectively met. Institutions will include in the annual directors' remuneration report the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, institutions are assessing the establishment of a "malus" clause based on the deferral for a sufficient period of the payment of a part of the variable components involving their total or partial loss in the event that an event occurs prior to the time of payment that makes this advisable.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

60. Compensation that is tied to the company's earnings should consider the qualifications, if any, contained in the external auditor's report where the same reduce earnings.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

61. A relevant percentage of the variable remuneration paid to executive directors should be linked to the delivery of shares or financial instruments indexed to the share price.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

The Management Incentive Plan 2023-2025 (MIP 2023-2025) which was approved by the Board, with the favourable report of the Appointments and Remuneration Committee, at its written meeting held without a meeting on 30 March 2023 only provides for the payment of the accrued incentive in cash.

Additionally, a significant amount of the remuneration of the Executive Director, derived from the previous Incentive Plan (LTIP 2020-2022) that is materializing in 2023, is linked to the delivery of shares.

62. That once the financial instruments, options or shares corresponding to the remuneration systems have been allocated, executive directors may not transfer ownership or exercise such rights until at least three years have elapsed.

An exception is made where the director, at the time of the transfer or exercise, has a net financial exposure to changes in the share price of a market value equivalent to an amount of at least twice his/her annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of to meet the costs related to their acquisition or, subject to the favourable opinion of the appointments and remuneration committee, to deal with any extraordinary situations that so require.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

The expired Long-Term Incentive Plan 2020-2022, from which the share-based remuneration of the Executive Director and other members of the management team is derived, provides for a three-year vesting period (2020 - 2022). Once the period has ended, the accrued amount, if any, is payable on a deferred basis as follows: 50% in the year following the end of the vesting period, 25% in the second year following the end of the vesting period and the remaining 25% in the third year following the end of the vesting period. Once the shares have been received, the executive directors are obliged to maintain the shares received for a period of one year from their delivery.

The new incentive plan, Management Incentive Plan 2023-2025 (MIP 2023-2025), whose beneficiaries are the Executive Director and other members of the management team, envisages a cash payment (not in shares, options or financial instruments) of the incentives achieved, in the following fiscal year to which they are recognised

63. Contractual agreements with directors should include a clause allowing the company to claim reimbursement of variable remuneration items where payment was not in line with the performance conditions established, or where payment was made in view of data later found to be inaccurate.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

64. Severance payments made on the termination of contracts should not exceed two years' total annual remuneration, and they should not be made until the company has been able to verify that the director concerned fulfils the performance criteria established.

For the purposes of this recommendation, contractual cancellation or termination payments include any payments whose accrual or payment obligation arises because of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Cumple **Cumple parcialmente** **Explique** **No aplicable**

H OTHER MATTERS OF INTEREST

- 1. Briefly describe any other relevant corporate governance matters in the company or its group entities that are not considered in the preceding sections of this report and require inclusion to complete the reasoned information offered on the governance structure and practices of the entity and its group.**
- 2. You may also include in this section any other information, clarification or qualification related with the preceding sections of this report, to the extent that such explanations are not repetitious.**

Specifically, state whether the company is subject to any corporate governance legislation other than Spanish law and, where applicable, include any information that you are under the obligation to provide other than that required in this report.

- 3. The company may also state whether it has voluntarily adhered to any other international, industry or other ethical or best practice codes. Indicate the code in question and the date of adhesion, where applicable. In particular, you should mention whether the company has adhered to the Code of Best Tax Practice of 20 July 2010.**

H.1

Neinor Homes is fully aware of its significance as a business, institutional and social reality and as a benchmark company in the area of residential development in Spain, and in this light it cannot ignore the importance of conducting its entire business with the maximum diligence in terms of Good Governance, ethics and transparency.

We consider it necessary to provide the following information to ensure a proper understanding of the company from a Good Governance standpoint, and of the efforts it has made to progress in this area.

Neinor Homes relies principally on its own proprietary Code of Conduct, which sets out the main mandatory guidelines and criteria governing the conduct of all Neinor Homes employees. This code is communicated to and acknowledged by all employees on an annual basis.

According to the previous paragraph, then, Neinor Homes' Corporate Governance rules are established in its Corporate Bylaws, in the Regulations of the Board of Directors and the General Shareholders Meeting, in the Regulations of all of the Board Committees, in the Internal Regulations Governing Conduct in the Securities Markets, all of which have been duly approved by the Board of Directors and have applied since the first day's trading of the company's shares on the Spanish Stock Exchanges.

In this connection, Neinor Homes has prepared a series of mandatory policies and regulations monitored by the integrated control system and designed to underpin and provide support in matters of Good Governance for the regulations of its Governing Bodies, all of which are published online in the corporate website, in the section <https://www.neinorhomes.com/en/responsible-business-and-innovation/sustainability/>

- Code of Conduct for third parties.
- Conflict of interest and related parties transactions.
- Code of best practices in the real estate mediation services.
- Corporate Crime Prevention System.
- Director selection policy.
- Tax policy and good tax practices
- Compliance Handbook.
- Internal Audit Handbook.
- Policy on provision of non-audit services by the external auditor.
- Employment policy for former employees of the Company's auditor.
- Electronic shareholder forum operating rules.
- Risk management policy.
- Diversity and non-discrimination policy.
- Corporate Governance policy.
- Sustainability policy.
- General economic-financial and corporate communication policy
- Internal manual for the disclosure of privileged and other relevant information
- Remuneration policy for the member of the Board of Directors.
- Quality, environment and innovation policy.
- Treasury shares policy.

- Internal code of conduct in security markets.
- Prevention of corruption, fraud and bribery policy.
- Health and safety policy.
- Sustainable investment and financing policy.
- Sustainable financing framework
- Ethical Channel management procedure
- Human Rights Policy

We would also stress that the company's Board of Directors has given much thought since the day of its incorporation to its relations with all stakeholder groups in its role as a leader in the transformation that we are determined to effect in the real estate sector, eschewing a narrow focus on the shareholders and the financial community. We have implemented numerous initiatives and measures which we wish to see reflected in our way of doing business, and which we trust will benefit our human team, our suppliers, our customers, the environment, the regulatory authorities, the media and society in general, including:

- 1. Ongoing Internal Control and Risk Management Model.** The quality certification (ISO 9001) repeatedly considers risk management and other areas of assurance in the company as one of the most significant strengths.
- 2. Continuous Corporate Governance Advancement System,** resting basically on the following two pillars:
 - The company has created a continuous tracking and monitoring system to assess progress with its goal of continuous improvement in non-financial projects in which it is involved in the areas of environment, quality, innovation, etc.
 - The company has implemented a continuous Good Governance Management System to monitor good governance activities over the course of the year. For this purpose, an in-depth analysis was carried out of both Spanish and international regulations, establishing the obligatory activities that must be included in the agenda of the Board and of each Committee, and it prepares annual diagnoses of compliance with the recommendations of the CUBG, LSC, new Spanish Audit Act, CNMV Guidelines and best international practices (King IV, Federal Sentencing Guidelines, etc.).
- 3. White Book.** Neinor Homes has created the first residential sector White Book, consisting of a design and construction manual that seeks to standardize the quality, sustainability and design parameters defining all real estate developments. The White Book systematizes and details all of the processes required throughout the lifecycle of Neinor Homes' products so that both architects and builders are able to apply the relevant parameters to the high standards defined by the company.
- 4. BREEAM Certification.** We are the residential developer in Spain with the highest number of BREEAM certifications. BREEAM promotes sustainable construction that results in economic, environmental and social benefits for everyone involved in the life of a building (tenants, users, developers, owners, managers, etc.) while at the same time conveying the company's Corporate Social Responsibility to society and to the market in an unequivocal and easily perceptible way.
- 5. Certification of Neinor Homes' integrated management system.** The company holds the following certificates: Quality Management (ISO 9001), Environmental Management (ISO 14001), R&D Management (UNE 166002) and Information Security Management (ISO 27001). All of these certificates were obtained in prior years and have been renewed in the current fiscal year. Neinor Homes is the first new cycle real estate developer to obtain these four certificates.
- 6. Preparation of the Sustainability Report (Statement of Non-Financial Information) based on GRI standards,** publicly reflecting the resources applied and efforts made by the company in the field of corporate responsibility. The report includes a materiality analysis, which is highly valuable from a strategic standpoint because it focuses on those corporate, environmental and economic issues that are most relevant to the company's business and that most influence stakeholder value creation.
- 7. It also reveals the enormous opportunity offered by the transformation and consolidation of the real estate sector in terms of the generation of sustainable value for all interested parties.** In 2021, the company approved its 2022-2025 Strategic Sustainability Plan, focused on creating value for the environment, society and people. The Plan is articulated around the company's three strategic pillars (Environmental, Social and Governance), is made up of 16 areas of action, 30 objectives and 95 lines of action and its main objective is to obtain margins and returns in line with the risk of the development business, building houses with people in mind, establishing stable relationships with our suppliers and increasing the value of our employees.

In the current financial year, given that the Plan is at the halfway point of its total duration, the lines of action have been reviewed and their compliance analysed, whether they are aligned with the company's strategy, whether they are maintained until the end of the plan and whether it was necessary to include some new ones. This analysis was aimed at reorienting the company's strategy, adapting it to regulations and, above all, generating a real positive impact on people and the environment, avoiding 'greenwashing'.

Following the review and update of the Plan, the 95 lines of action have been reduced to 66: 37 have been finalised and 8 new ones have been added. Moreover, compliance in these first two years of the Plan has been 72% (68 lines of action).

Finally, we would like to say that Neinor Homes wants to show its total commitment to sustainability and the impact it leaves

on our society. For this reason and despite not having been required to comply in recent years with the Law on non-financial and diversity reporting approved on 13 December 2018, the company fully complies with its provisions and publishes a sustainability report in line with old disclosure requirements contained in the new legislation. The integrity and accuracy of this report is further verified in a review carried out by an independent third party.

H.2

Neinor Homes adheres to the Code of Best Tax Practice promoted by the Spanish Large Companies Forum and Tax Service, which was first approved by the Board on 26 July 2017, and it is careful to comply with its provisions.

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on February 21, 2024.

State whether any directors voted against the approval of this Report or abstained.

Sí

No

Names of directors who did not vote in favour of approving this report	Type of vote (against, abstention, absence)	Explain the reasons

Remarks

Neinor Homes, S.A.

Auditor's report on "Information relating to the internal control over financial reporting (ICFR)" of Neinor Homes, S.A. for the year ended 31 December 2022

February 22, 2023

Deloitte.

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

AUDITOR'S REPORT ON "INFORMATION RELATING TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)" OF NEINOR HOMES, S.A., FOR THE YEAR ENDED 31 DECEMBER 2022

To the Directors of Neinor Homes, S.A.:

At the request of the Board of Neinor Homes, S.A. (hereinafter the Company), and in accordance with our proposal dated February 16, 2023 we applied certain procedures to the accompanying "ICFR related information" included in section F) of the Annual Corporate Governance Report for Neinor Homes, S.A., for the year ended 31 December 2022, which summarizes the Company's internal control procedures regarding annual financial information.

The Directors are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR related information included in section F) of the Annual Corporate Governance Report.

It is worth nothing that apart from the quality of design and operability of the Company's internal control system as far as annual financial reporting is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the consolidated financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of Neinor Homes, S.A. and Subsidiaries' (the Group) internal control system was to establish the scope, nature, and timing of the audit procedures performed on its consolidated financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned 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 applied the specific procedures described below and indicated in the *Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies*, published by the Spanish National Securities Market Commission 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 the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's financial data for the year ended 31 December 2022 described in the accompanying ICFR information included in section F) of the Annual Corporate Governance Report. Consequently, had we applied 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 have been disclosed which would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with the Spanish Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Reading and understanding the information prepared by the Company in relation to the ICFR –as disclosed in the Directors' Report- and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICFR, in the model of Annual Corporate Governance Report, as established in Circular nº 5/2013 of the National Securities Market Commission dated June 12, 2013, and subsequent amendments, the most recent being CNMV Circular 3/2021, of 28 September (“the CNMV Circulars”).
2. Making enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.
3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit Committee.
4. Comparison of the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the consolidated financial statements.
5. Reading the minutes of the Board Meetings, Audit Committee, and other committees of the Group, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICFR and the information described in section 1 above.
6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in section 1 above.

As a result of the procedures applied on the Neinor Homes, S.A. and Subsidiaries' ICFR related information, no inconsistencies or incidents have come to our attention which might affect it.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and "the Circulars of the NMSC", for the purposes of describing the ICFR in Annual Corporate Governance Reports.

DELOITTE, S.L.



Iñigo Úrculo
February 22, 2023