

Neinor Homes, S.A. (“**Neinor**” or the “**Company**”) pursuant to article 17 of Regulation (EU) n° 596/2014 on market abuse and article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015 of October 23, hereby informs of the following

MATERIAL FACT

The Company informs that, on 21 September 2018, it has launched the employees compensation scheme (the “**Plan**”), which is based on the delivery of Company’s shares and is subject to the fulfilment of certain strategic goals and the previous completion of certain requirements.

The above-mentioned share-based remuneration scheme was approved by the Board of Directors, on the proposal of the Appointment and Remuneration Committee, at its meeting of 23 July 2018, and it is aimed at the Company’s employees that remain in the Company as at 31 August 2018 except for, among others, the CEO (the “**Beneficiaries**”).

The Plan will start on 1 September 2018 (the “**Measuring Period Starting Date**”) and will end on 2 September 2020 (the “**Measuring Period Completion Date**”).

The Plan’s effective liquidation will be carried out on 2 September 2020 (the “**Calculation Date**”) and the payment will be done within 30 days from the Calculation date (the “**Liquidation Date**”).

1. Incentive determination

The amount of shares to be delivered on the Liquidation Date (the “**Final Incentive**”) to each Beneficiary will be determined on the Calculation Date in accordance with the following formula:

$$Final\ Incentive = Initial\ Target\ Incentive \times Weighted\ Completion\ Coefficient$$

To this effect, it will be considered (i) as Initial Target Incentive, 50% of the base salary plus the target bonus (this is, the maximum bonus), both corresponding to year 2018; and (ii) as Weighted Completion Coefficient, the coefficient regarding the level of achievement of the goals set in the Plan and in the next section.

2. Requirements for the grating of the incentive

Beneficiaries will only receive their corresponding Final Incentive if they meet the following requirements:

- a) Completion of the goals set on the plan: the Weighted Completion Coefficient will depend on the level of completion of the goals set on the Plan. Its fulfilment will be measured with the following distinguishable and quantifiable parameter (the “**Metric**”):

- **Share Value Increase:** the Share Value Increase will be the difference, in percentage terms, between the share price on 1 September 2018, that is, 15,84 €, (the “**Initial Value**”) and the weighted average closing price for the 3 months before 2 September 2020, included (the “**Final Value**”).

$$\text{Share Value Increase} = \frac{(\text{Final Value} - \text{Initial Value})}{\text{Initial Value}}$$

After the calculation of the Share Value Increase, the Weighted Completion Coefficient will be calculated in accordance with the following scale:

Level of completion	Share Value Increase	Weighted Completion Coefficient
Maximum	≥20%	100%
Medium	>12,5% - <20%	75%
Minimum	≥5% - ≤12,5%	50%
Below minimum	<5%	0%

- b) Continuous permanence in the Company: Beneficiaries will have to remain in the Company until the Measuring Period Completion Date. Otherwise, and except for some cases, they will not be Beneficiaries anymore and, consequently, they will not be entitled to receive the Final Incentive.

3. Incentive liquidation

On the Calculation Date, the Company will determine the Final Incentive that, as the case may be, Beneficiaries will be entitled to receive. Such Final Incentive will be delivered to the Beneficiaries on the Liquidation Date free from the corresponding taxes.

4. Anticipated liquidation scenarios

If a change of control in the Company, or in any other company of the Group, or an event or corporate transaction occurs that, according to the Board of Directors, could have a considerable effect on the Plan, the Board of Directors will adopt the appropriate resolutions regarding the payment of the Final Incentive.

In this effect, the Board of Directors will take into consideration the elapsed period of time between the Measuring Period Starting Date and the date on which the Board of Directors considers the occurrence of the significant event or transaction that motivates the Plan’s anticipated liquidation.

5. Clawback clause

With respect to the Beneficiaries that are members of the Management Board, the Company may demand the refund of the shares granted under this Plan —or even to compensate such

delivery against other compensations of any nature that they are entitled to receive— in the event that during the year following the Liquidation Date, in the opinion of the Board of Directors, there is a circumstance that demonstrates that the incentive liquidation was not done properly.

Specifically, and among other circumstances, the refund of the Final Incentive may be demanded in the following cases:

- i. Sanction to the Beneficiary for serious breach of the code of conduct and other internal regulations that may apply.
- ii. Other circumstances that have a material negative effect on the income statements of any of the clawback period years.

The Board of Directors will determine, as the case may be, if there have been circumstances that justify the application of this clause and the Final Incentive that, in its case, should be refunded to the Company.

In Madrid, on October 2nd, 2018

Secretary of the Board of Directors.

Silvia López Jiménez