ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

NEINOR HOMES, S.A.

REPORTING PERIOD END 2022

Company Tax ID Code (C.I.F.) A-95786562

Company name: NEINOR HOMES, S.A.

Registered Office: C/ Ercilla 24, Bilbao

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A COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR

A1. *Explain the current remuneration policy for directors applicable to the current year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided that the inclusion is clear, specific and concrete.*

A description must be given of the specific decisions for the current year, both on the remuneration of directors due to their status as such, as well as for the performance of executive roles, which the board makes in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general shareholders' meeting.

In any case, at least the following aspects must be reported:

- *Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its terms.*
- *Indicate and, if applicable, explain whether comparable companies have been considered in establishing the company's remuneration policy.*
- *Information on whether any external advisors have been involved and, if so, who they are.*
- *Procedures contemplated in the current director compensation policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exception under the policy.*

- The remuneration policy for members of the Board of Directors of Neinor Homes (the "Policy") was amended during the 2022 financial year. The amendments were approved by the Board of Directors at its meeting held on February 23, 2022, following a favourable report from the Appointments and Remuneration Committee. It was also approved at the General Shareholders' Meeting held on April 13, 2022.

  The Remuneration Policy is applicable to the members of the Board of Directors of Neinor Homes, S.A. ("Neinor Homes" or the "Company"), in compliance with the legal requirements established by the Consolidated Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, 2010 (hereinafter, the "Capital Companies Act") (the "Remuneration Policy" or the "Policy").

  The Remuneration Policy has been prepared by the Company taking into account the relevance of the Company, its economic situation and market standards for comparable companies.

  As part of the latest review process of the Remuneration Policy, the Company has received legal advice from Roca Junyent, S.L.P, the previous updates were advised by Uria. In addition, the Company received in its initial implementation, advice from Willis Towers Watson for the development of the Company's long-term variable remuneration plans described in the Policy.

  The remuneration programs set out in the Policy and detailed in this report maintain a reasonable proportion to the Company's relevance, its economic situation and the market standards of comparable companies and promote the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking or rewarding unfavourable results and ensuring the alignment of the interests of the directors with those of the Company and its shareholders.

  The last review of the Remuneration Policy was carried out with the aim of adapting it to the provisions of Article 529 novodecies of the Capital Companies Act, as amended by Law 5/2021, which amends the Capital Companies Act, imposing new requirements on the content of the remuneration policies for directors of listed companies and making it mandatory to adapt the policies in force at the next General Meeting held by listed companies after the entry into force of said law in accordance with the First Transitory Provision of Law 5/2021. Additionally, aspects derived from the revision of the Good Governance Code of the National Securities Commission in June 2020 were incorporated.

  The Remuneration Policy is applicable from its approval by the Ordinary General Shareholders' Meeting in fiscal year 2022, which was held on April 13, 2022, and the three fiscal years following the fiscal year corresponding to the date of approval, i.e., until December 31, 2025. The General Shareholders' Meeting of Neinor Homes may amend, modify or replace this Remuneration Policy at any time in accordance with the procedures established in this policy..

- The Policy is designed to provide a solid structure for good corporate governance. The general principles and criteria used are summarized as follows:

  a) Ensuring independence of judgment

  Remuneration is structured in such a way as not to compromise the independent judgment of non-executive directors, with special attention to that awarded to independent directors.

  b) Attracting and retaining the best professionals

  The remuneration policy aims to establish a competitive remuneration that allows to attract and retain talent that contributes to the creation of value for the Company.

c) Long-term sustainability

Remuneration shall be consistent with the long-term interests and strategy of the Company, as well as with its values and objectives, and includes provisions to avoid conflicts of interest, excessive risk-taking and rewarding unfavorable performance.

d) Transparency

The remuneration policy and the specific rules for determining remuneration shall be clear and well-disseminated. In this regard, at the beginning of each year or at the General Shareholders' Meeting, the maximum total amount of remuneration that can be paid to directors shall be made public, as well as the conditions that must be met in order to obtain such remuneration.

e) Clarity and individualization

The rules for the management and determination of remuneration shall be drafted in a clear, simple and concise manner.

f) Fairness of remuneration

- Remuneration is set taking into consideration the dedication, qualifications and responsibility required by the position, as well as the experience, functions and tasks performed by each director. In addition, remuneration must maintain a balance between market competitiveness and internal equity.
- Likewise, the conditions of the other employees of the group have been taken into account so that the principles of the remuneration system for executive directors are aligned with the general remuneration programs of the group. In this sense, certain remuneration elements such as other additional components to the remuneration, or the remuneration systems referenced to the value of the Neinor Homes share may only be offered to executive directors when similar elements are accessible to other employees of the Group.
- The maximum annual remuneration to be received by the members of the Board of Directors in their capacity as such is 1,500,000 €.
- The maximum individual amount to be received by each of the aforementioned directors as fixed annual compensation is as follows:
  - A maximum of 150,000 euros for the Chairman of the Board of Directors.
  - A maximum of 100,000 euros for each independent and “other external” directors.

  If, following any increase in the number of directors sitting in the Board, the aggregate remuneration otherwise payable to them as members of the Board were to exceed the maximum annual amount of 1,500,00 euros referred in this Section, then the Board of Directors may reduce the individual remuneration described in this section on a proportional basis.
- Only independent directors and those in the "other external" category are entitled to receive remuneration for their status as such.

As part of the 2017 IPO, as previously mentioned, the Company received advice from Willis Towers Watson for the development of the Company's long-term variable remuneration plan. In performing its advisory functions, Willis Towers Watson (i) conducted a consultation process with several of the Company's senior executives; and (ii) analyzed the remuneration system of 12 European companies in the real estate sector and 14 comparable companies (by size) from different sectors.

- The Policy provides for the following compensation components:

a) Fixed annual remuneration.

b) Attendance fees for meetings of the Board and its Committees.

c) Remuneration in shares or linked to their performance, without prejudice to the provisions of the Regulations of the Board of Directors.

The remuneration mentioned in a) and b) above only applies to independent and "other external" directors.

Notwithstanding the provision mentioned in section c) above, the Directors are currently not entitled to share-based or performance-linked remuneration, except for the executive director (the Chief Executive Officer, Mr. Francisco de Borja García-Egocheaga).

The total amount payable by the Company as compensation to all of its directors for these three items may not exceed the relevant amount determined for this purpose by the General Meeting. The amount thus determined by the General Meeting shall apply unless and until the General Meeting approves other amount in accordance with applicable laws.

However, the determination of the specific amount to be paid to each director for these items within the maximum amount approved by the General Meeting shall be agreed by the Board of Directors in accordance with this Remunerations Policy. For such purpose, the Board shall take into account the office held by each director within the Board itself, as well as the membership and attendance of each director to any committees.

Finally, the Company shall pay for any premium due for any civil liability insurance policy taken out by the Company in respect of its directors upon customary market terms and commensurate with the circumstances of the Company.

- The remuneration of the Chief Executive Officer is set forth in his contract signed with the Company on April 8, 2019. The Chief Executive Officer does not receive any remuneration for his position as a member of the Board of Directors or the Committees, only for his executive position and, unlike the external directors, he does have a variable remuneration system, which seeks to align the interests of the Chief Executive Officer with the Company's shareholders by establishing specific objectives linked to the creation of value in the medium and long term. The remuneration structure is composed of the following elements:

  a) Fixed remuneration: The executive director of the Company shall be entitled to receive an amount not exceeding 900,000 euros as fixed annual remuneration. In fiscal year 2022, the Chief Executive Officer has received a remuneration of 600,000 euros.

  b) Annual bonus to be established annually by the Board of Directors. The annual variable remuneration of the executive directors may in no case exceed 100% of the amount of the fixed remuneration. The effective variable remuneration in fiscal year 2022 was 450,000 euros.

  c) Participation in the company's long-term incentive schemes payable in shares approved by the company. See section B.7 below.

  d) Directors and Officers ("D&O") insurance.

- *The relative importance of variable to fixed remuneration items (remuneration mix) and what criteria and objectives have been taken into account in their determination and to ensure an appropriate balance between fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the long-term objectives, values and interests of the company, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy addresses the long-term performance of the company, measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures envisaged to avoid conflicts of interest.*

  Also indicate whether the company has established any vesting or consolidation period for certain variable remuneration items, in cash, shares or other financial instruments, a deferral period for the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether any clause has been agreed to reduce deferred remuneration or oblige the director to return the remuneration received, when such remuneration has been based on data whose inaccuracy has subsequently been manifestly demonstrated.

Article 25.3 of the Board of Directors' Regulations establishes that directors' remuneration must be in reasonable proportion to the importance of the Company, its economic situation at any given time, the standards that are met on the market in companies of a similar size or activity and consider their dedication to the Company. The remuneration system established must be aimed at promoting the long-term profitability and sustainability of the Company and incorporate the necessary precautions to avoid the excessive assumption of risks and unfavourable results. In particular, the remuneration system should set the necessary limits and safeguards to ensure that variable remuneration is related to the professional performance of the beneficiaries and does not derive solely from the general evolution of the markets or the sector.

The directors' remuneration policy established by the Company does not establish variable remuneration for directors for their status as such, but only a fixed remuneration and per diems for attending meetings, with the aim of remunerating directors adequately and sufficiently for their dedication, qualifications and responsibilities, without compromising their independence of judgement or encouraging the Company to take excessive risks.

The Chief Executive Officer remuneration system is aligned with the Company's interests. The annual objectives set for the bonus are linked to performance. Specifically, the individual contract entered into with the Chief Executive Officer provides for the possibility of receiving annual variable remuneration in cash, provided that the results significantly improve the business plan and that the Board of Directors of the Company so decides. In this respect, the weighted parameters taken into consideration to set the variable remuneration are as follows:

<u>Financial and operating performance parameters:</u>

Margin Contribution Development (M€) 25% being the target of the Business Plan 148,182

Craners (#) 25% being the target of the Business Plan 3,198

OpEx (M€) 25% being the target of the Business Plan 81,850

EBITDA (M€) 25% being the target of the Business Plan 146,000

<u>Non-financial performance parameters:</u>

These are linked to different objectives, such as the progress of the Group's Sustainability Plan, compliance with Corporate Governance, implementation of ESG improvements, measurement and compensation of the carbon footprint, employee training, level of customer satisfaction, equality and non-discrimination objectives, and similar. The weight of non-financial objectives will be a maximum of 25%. The company takes as a reference some of the world's most recognized ESG analysts' indexes/rankings, to take as an element of performance their evaluations and degree of improvement with respect to previous years, as an evaluative element that can integrate, together with many others, the aspects mentioned above.

In fiscal year 2022, the parameter to be considered will be a very positive rating in one of the main analysis agencies in the measurement of the ESG performance of companies (agency determined by the Appointments and Remuneration Committee). The achievement of this objective has a weight of 10% of the variable compensation.

The above criteria have been established based on their contribution to the achievement of the Group's long-term objectives by pursuing sustainable revenue growth with a debt ratio appropriate to the Group's capital structure, while the Company takes into due consideration the non-financial parameters that, among other aspects, promote the stability of the working personnel to ensure talent retention and service excellence and the Group's ESG concerns, all in the interest of maximizing shareholder value creation.

The contracts entered into by the Company with the beneficiaries of the annual bonus plans shall contemplate that, in the event that (i) any event or circumstance occurs that has as a consequence the alteration or negative variation, of a definitive nature, of the financial statements, results, economic data, performance or any other type in the financial statements, results, economic data or any other type in the annual bonus plans, (ii) such alteration or variation determines that, had it been known on the date of accrual or payment, the beneficiary would have received an amount lower than the amount initially paid and the beneficiary shall be obliged to reimburse the Company for the excess amount received, and the Company shall be entitled to claim such reimbursement. This provision is independent of any liability that the beneficiary may have in the alteration or negative variation referred to above. The Company may offset the amount claimed against any other amount due to the beneficiary.

During the 2022 fiscal year, a long-term incentive plan was in effect for three years, which ended on December 31, 2022; this plan is explained in detail in section B7:

a) Long Term Incentive Plan 2020 ("2020 LTIP")

In addition to certain members of the Company's senior management, the Chief Executive Officer is a beneficiary of the 2020 LTIP.

The 2020 LTIP consists of a single three-year cycle. The achievement period starts on 1 January 2020 and ends on 31 December 2022. At the end of the achievement period, the number of shares of each beneficiary will be calculated considering the level of achievement of certain pre-approved metrics described in section B.7, together with the shares equivalent to the dividends paid, both in accordance with the following:

- 50% of the shares earned will be delivered at the end of the three-year vesting period (initial payment), plus a number of shares equal to the dividends that would theoretically have been paid on 50% of the shares earned from the start of the 2020 LTIP (1 January 2020) until the day of payment, divided by the average share price in the 6-month period prior to the end of the cycle.

- 25% of the shares obtained will be delivered one year after the initial payment, provided that the beneficiary remains in the Company and subject to malus provisions, plus a number of shares equal to the dividends that would theoretically have been paid on such 25% of the shares obtained since the beginning of the 2020 LTIP (1 January 2020) and until the day of payment, divided by the average share price in the 6-month period prior to the end of 2023.

- 25% of the shares earned will be delivered two years after the initial payment, provided that the beneficiary remains in the Company and subject to malus provisions, plus a number of shares which will be equivalent to the dividends that would theoretically have been paid on such 25% of the shares earned since the beginning of the 2020 LTIP (1 January 2020) and until the day of payment, divided by the average share price in the 6-month period prior to the end of 2024.

50% of the amount payable is determined based on the Company's EBITDA achievement, measured on a cumulative basis, the target being set at the beginning of the cycle.

The other 50% of the amount payable will be determined based on the total return to shareholders, which will be calculated as the evolution of the share price plus the value of dividends, if any, during the period assuming they are reinvested in Neinor Homes shares on the day they are received.

The Appointments and Remuneration Committee shall have the power to propose to the Board of Directors the cancellation of the payment of the 2020 LTIP to the executive directors, in whole or in part, in the event of certain supervening circumstances (reduction, or malus, and clawback clauses): (a) losses in the Neinor Homes Group (negative EBITDA / Profit after tax) in the year following the end date of the 2020 LTIP attributable to management decisions taken in the achievement period of each year; (b) material restatement of the Group's financial statements, where deemed by the external auditors, except where appropriate due to a change in accounting standards; (c) serious breach of the internal code of conduct by the executive director. The malus clause applies during the payment deferral period of the 2020 LTIP, while the clawback clause applies during the year following the delivery of the shares, in both cases only in respect of the shares to be delivered in each payment (after tax).

- *Amount and nature of the fixed components expected to accrue to directors in their capacity as directors during the financial year*

The remuneration established for directors qualifying as "independent" and "other external" is as follows:

a) Fixed remuneration:

- A maximum of 150,000 euros for the Chairperson of the Board of Directors. The fixed remuneration in fiscal year 2022 amounted to 115,000 euros.
- A maximum of 100,000 euros for each independent and "other external" directors. The fixed remuneration in fiscal year 2022 amounted to 85,000 euros.

b) Per diems for attendance at meetings of the Board and its Committees:

- Board meetings: 3,000 € per meeting.
- Committee meetings: 1,500 € per committee meeting.

The Chief Executive Officer only receives remuneration for the performance of senior management functions. Therefore, he does not receive any remuneration for the performance of his duties as member of the Board of Directors and as a member of the Land Investment Committee.

- *Amount and nature of the fixed components that will be accrued in the year for the performance of senior management functions by executive directors.*

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The fixed salary of the Chief Executive Officer for the performance of senior management duties is six hundred thousand Euros (600,000 €).

- *Amount and nature of any component of remuneration in kind that will accrue in the year including, but not limited to, insurance premiums paid on behalf of the director.*

The contract entered with the Chief Executive Officer provides for entitlement to the social welfare benefits set out below:

- Medical assistance insurance.
- Life insurance, total permanent disability, absolute disability or major disability covering (i) a gross capital benefit of 1,000,000 euros in the event of total permanent disability, absolute disability or major disability and (ii) a gross capital benefit of 1,000,000 euros in the event of death.
- Directors and Officers (D&O) insurance.
- Any other social welfare benefits generally recognised by the Company for the group of directors or executives, established by the Board of Directors, subject to a report from the Appointments and Remuneration Committee.

- *Amount and nature of the variable components, distinguishing between short- and long-term components. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, explaining the extent to which such parameters are related to the performance of the director, the company and its risk profile, and the methodology, time frame and techniques used to determine them, at the end of the year, the degree of compliance with the parameters used in the design of variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying that the performance or other conditions to which the accrual and vesting of each component of variable remuneration was linked have been effectively met.*

  Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and if there is any maximum monetary amount in absolute terms.

There are no variable components in the remuneration of the members of the Board of Directors in their capacity as such (except for attendance fees, the amount of which depends on the number of annual meetings of the Board and its Committees).

For his part, the Chief Executive Officer receives the following variable remuneration indicated below for his senior management functions:

1. **<u>Annual bonus</u>**

   The contract signed by the Company with the Chief Executive Officer establishes the right to receive a variable remuneration (bonus) to be set at the discretion of the Board of Directors and to be received exclusively if the objectives established in the business plan are exceeded.

   The contracts entered with executive directors shall establish clawback clauses obliging the director to repay the Company and empowering the Company to claim repayment of all or part of the variable remuneration in the event of the occurrence of any event or circumstance that results in the alteration or negative variation with definitive character, of the financial statements, results, economic, performance or other data on which the accrual and payment to the Executive Director of any amount as variable remuneration was based.

   The annual variable remuneration that, if applicable, is approved by the Company may be paid in cash and/or include the delivery of shares or share-based instruments, provided that the corresponding threshold of the indicators established with respect to what is foreseen in the business plan is reached. In this regard, the parameters to be taken into consideration by the Board of Directors to set the amount of variable remuneration must be specific, predetermined, quantifiable and measurable and be in line with the Company's strategy, promote its sustainability and the Group's profitability in the long term.

   Within the new remuneration policy for board members approved both by the Board on February 23, 2022 and by the General Shareholders' Meeting on April 13, 2022, both financial performance parameters and non-financial performance parameters are included.

2. **<u>Long Term Incentive Plan (LTIP)</u>**. Details of the Plan can be found in section B7 below.

- *Main characteristics of the long-term savings systems. Among other information, the contingencies covered by the system, whether it is a defined contribution or defined benefit system, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions for consolidation of the economic rights in favour of the directors and their compatibility with any type of payment or indemnity for early termination or severance, or derived from the termination of the contractual relationship, under the terms provided, between the company and the director, shall be indicated.*

  Indicate whether the vesting or vesting of any of the long-term savings' plans is linked to the achievement of certain objectives or benchmarks related to the short- and long-term performance of the director.

The Company has no long-term savings system in place.

- *Any type of payment or indemnity for early termination or severance or derived from the termination of the contractual relationship under the terms established between the company and the director, whether the termination is at the will of the company or of the director, as well as any type of agreed covenants, such as exclusivity, post-contractual non-competition and permanence or loyalty, which entitle the director to any type of payment.*

The contract signed by the Company with the Chief Executive Officer establishes compensation for an amount equivalent to two years of his fixed remuneration in the event of termination of the contract by the Company, unless said termination is due to a serious and guilty breach on his part of the obligations that legally or contractually incumbent upon him.

In the event of termination of the contract due to withdrawal of the Chief Executive Officer, he must notify the Company in writing at least 3 months in advance, and must compensate the Company with an amount equivalent to the fixed remuneration applicable in the moment of termination of the Contract corresponding to the period of notice that has not been complied with.

- *Indicate the conditions to be respected in the contracts of those who perform senior management functions as executive directors. Among others, information should be provided on the duration, limits on the amounts of compensation, tenure clauses, notice periods, as well as payment in lieu of the notice period, and any other clauses relating to hiring bonuses, as well as compensation or golden parachute clauses in the event of early termination or termination of the contractual relationship between the company and the executive director. Include, among others, non-competition, exclusivity, permanence or loyalty and post-contractual non-competition covenants or agreements, unless explained in the preceding section.*

The main terms and conditions of the service contract entered into by the Company with the Chief Executive Officer are as follows:

- Duration: the contract entered into force on 8 April 2019 and will remain in force for as long as Mr Francisco de Borja García-Egocheaga Vergara remains as Chief Executive Officer of the Company.

- Exclusivity: The Chief Executive Officer of the Company shall perform his duties exclusively for the Company on a full-time basis and may not work directly or indirectly or provide services for third parties or on his own account, even if such activities do not compete with those of the Company.

- Post-contractual non-competition: once the contract is terminated for any reason, the Chief Executive Officer may not carry out, for a period of one year, any activity that is concurrent with those of the Company or any company of the Neinor group, either on his own account or on behalf of a competing employer.

As compensation for the post-contractual non-competition obligation, he shall be entitled to receive a gross amount equal to 70% of the annual fixed remuneration in force at that time.

- *The nature and estimated amount of any other additional remuneration to be earned by directors in the current financial year in consideration for services rendered other than those inherent in their office*

The Company has not established any supplementary remuneration for directors.

- *Other items of remuneration such as those derived, if applicable, from the granting by the company to the director of advances, loans and guarantees and other remuneration.*

There are no other remuneration items.

- *The nature and estimated amount of any other expected additional remuneration not included in the preceding paragraphs, whether paid by the entity or another group entity, that will accrue to directors in the current financial year.*

There are no other supplementary remunerations.

A.2 *Explain any relevant changes to the remuneration policy applicable in the current financial year arising from:*

- *A new policy or a modification of the policy already approved by the Board.*
- *Relevant changes in the specific determinations established by the board for the current financial year in the current remuneration policy compared to those applied in the previous financial year.*
- *Proposals that the board of directors would have resolved to submit to the general meeting of shareholders to which this annual report will be submitted and which are proposed to be applicable to the current financial year.*

The review of the Remuneration Policy is carried out in order to adapt it to the provisions of Article 529 novodecies of the Capital Companies Act, as amended by Law 5/2021 amending the Capital Companies Act, which imposes new requirements on the content of the remuneration policies for directors of listed companies and requires the adaptation of the policies in force at the next General Meeting held by listed companies after the entry into force of said law in accordance with the First Transitional Provision of Law 5/2021. Additionally, aspects derived from the revision of the Good Governance Code of the National Securities Commission in June 2020 are incorporated.

The update was preceded by a detailed analysis requested by the Board in fiscal year 2021 to improve the transparency of the Annual Remuneration Report and the directors' remuneration policy to the GRC, Internal Audit and Sustainability Management, in order to adapt to the regulatory changes set out above and to respond to:

- Consideration of all the company's shareholders and increase the favourable vote for the approval of the Annual Remuneration Report and, if applicable, the Directors' Remuneration Policy at the General Shareholders' Meeting.
- To respond to requests from certain proxy advisors and investors who contacted the company and raised certain improvements in the description of both documents.

The work carried out was based on the conversations held with different proxy advisors and investors, on the analysis of the requirements of the regulations and the CUBG and recommendations in the preparation of CNMV reports, as well as on a market study of the reports presented by similar companies and benchmark companies in compliance and good corporate governance.

Some of the main changes agreed in this work, and which are included in the IAR and in the Board Remuneration Policy, were as follows:

- The establishment of KPIs with financial and non-financial parameters to measure the performance of variable amounts, and that these are recorded in the minutes and described in the IAR.
- Include non-financial performance parameters in the consideration of variable compensation.
- The validity of the Policy for three fiscal years and the obligation to ratify it at the AGM.
- Include global limits on fixed and variable remuneration for the Board as a whole, the Executive Director and at an individual level for all members of the Board of Directors due to their status as such.
- Inclusion of a limit on the variable remuneration of the Executive Director.
- Inclusion of the amounts to be received for life insurance and permanent disability for the Executive Director.
- Increase the detail of the malus and clawback clauses.
- Empower the Governance, Risk and Compliance (GRC), Internal Audit and ESG Department to assist the Appointments and Remuneration Committee in ensuring compliance with the Policy and all the guidelines set forth therein.

On February 23 and April 13, 2022, respectively, the Remuneration Policy for the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, was approved by the Board of Directors of Neinor Homes and by its General Shareholders' Meeting.

A.3 *Identify the direct link to the document containing the company's current remuneration policy, which should be available on the company's website.*

https://www.neinorhomes.com/en/responsible-business-and-innovation/corporate-governance/remuneration-policy-for-the-members-of-the-board-of-directors/

A.4 *Explain, considering the data provided in section B.4, how the vote of the shareholders at the general meeting at which the annual remuneration report for the previous year was put to a consultative vote was considered.*

As stated in the notarial minutes of the General Shareholders' Meeting held on April 11, 2022, authorized by the Bilbao Notary Ms. Raquel Ruiz Torres under number 1,029 of her protocol, he Annual Directors' Remuneration Report for the year ended December 31, 2021 was approved in a consultative vote by 88.07% of votes in favour.

The shareholders' vote at the AGM has been key for the Board to propose an improvement analysis to the GRC, Internal Audit and ESG Management, already implemented and explained in previous points, in the IAR and in the Remuneration policy of the Board. This improvement in the vote in favour is expected to materialize in the current fiscal year, although there has been a small increase in the vote in favour with respect to the IAR from 84.34% of favourable votes in 2020 to 88.07% in 2022.

The percentage of votes in favour of the new Remuneration Policy explained in the previous points has been approved in fiscal year 2022 with a percentage of votes in favour of 98.11%, substantially improving the percentage of votes in favour obtained in the last update of said policy in 2020 with 84.26%.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.1.1 *Explain the process followed to implement the remuneration policy and determine the individual remuneration reflected in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, if applicable, the identity and role of external advisors whose services were used in the process of implementing the remuneration policy in the financial year ended.*

As regards the remuneration of directors in their capacity as such, insofar as the remuneration provided for in the remuneration policy is fixed, the Company has limited itself to applying it on its own terms.

The amount accrued by the directors in their capacity as such during the financial year 2022 is as follows:

- Ricardo Martí Fluxá: received a fixed annual remuneration of 115,000 €, as well as 51,000 € in attendance fees.
- Anna M. Birulés Bertran: received a fixed remuneration of 85,000 €, as well as 39,500 € in attendance fees.

- Alfonso Rodés Vilà: received a fixed remuneration of 85,000 €, as well as 36,000 € in attendance fees.
- Andreas Segal: received a fixed remuneration of 85,000 €, as well as 34,500 € in attendance fees.
- Felipe Morenés Botín-Sanz de Sautuola: received a fixed remuneration of 6,250 €. (*)

(*) Mr. Morenés was reclassified from Independent Director to Proprietary Director on January 26, 2022, the date on which the Appointments and Remuneration Committee approved his change of status and which was subsequently ratified by the Board based on Article 529 duodecies of the Capital Companies Act, in view of his relationship with the shareholder Stoneshield Southern Real Estate Holding II, S. à r.l, which informed by letter dated January 23, 2022 of the acquisition of 18.453% of the share capital of the Company, a percentage that was subsequently increased to the shareholding that appears as of December 31 in the Annual Corporate Governance Report. For this reason, Mr. Morenés has only received the fixed remuneration corresponding to the period in which he has been an Independent Director, given that, as explained above, Proprietary and Executive Directors do not receive remuneration for their status as such.

Regarding the variable remuneration of the Chief Executive Officer and the Executive Director, the Appointments and Remuneration Committee, at the meeting held on January 25, 2023, analysed compliance with the objectives set for the collection of the variable remuneration corresponding to the 2022 financial year.

Regarding variable remuneration, it was established as a vesting requirement for all company employees that at least 80% of the EBITDA target had been achieved. The distribution of the objectives set was: 20% of the company objectives, 20% of the corporate departmental objectives or territorial objectives and 60% of individual objectives. The percentage of compliance with the company's objectives was 75%, that of the departments and regions ranged from 25% to 118% and the average compliance with the individual objectives was 71%.

Therefore, the Committee proposed, and the Board approved, a bonus of 300,000 € for the Chief Executive Officer, for the results of fiscal year 2022, to be paid in fiscal year 2023.

B.1.2 *Explain any deviations from the established procedure for the application of the remuneration policy that occurred during the financial year.*

There has been no deviation from the established procedure for the application of the remuneration policy.

B.1.3 *Indicate whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.*

There have been no exceptions to the remuneration policy.

B.2 *Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the company's objectives, values and long-term interests, including a reference to the measures that have been taken to ensure that accrued remuneration has taken into account the long-term performance of the company and achieved an appropriate balance between fixed and variable components of remuneration, what measures have been taken in relation to those categories of staff whose professional activities have a material impact on the entity's risk profile, and what measures have been taken to avoid conflicts of interest, if any.*

See section A.1

B.3 *Explain how the remuneration accrued and consolidated in the year complies with the provisions of the current remuneration policy and how it contributes to the long-term and sustainable performance of the company.*

Also report on the relationship between the remuneration obtained by the directors and the results or other short- and long-term performance measures of the company, explaining, where applicable, how variations in the company's performance may have influenced the variation in directors' remuneration, including accrued remuneration for which payment has been deferred, and how these contribute to the company's short- and long-term results.

The remuneration accrued in the year complies with the provisions of the current remuneration policy.

Regarding the remuneration of the Chief Executive Officer, who is the only Director who is contemplated to receive variable compensation, his variable remuneration targets, due to his executive position, the planned remuneration system is in line with the interests of the Company. The annual targets set for the bonus are linked to financial and non-financial results. In particular, the individual contract entered into with the Chief Executive Officer provides for the possibility of receiving annual variable remuneration in cash, provided that the results significantly improve the business plan and that the Company's Board of Directors so decides.

The weighted parameters taken into consideration to set the variable remuneration of the portion of the financial result, as company objectives, are as follows:

	Weight
1. Margin Contribution Development (M€)	25%
2. Cranes (#)	25%
3. OpEx (M€)	25%
4. EBITDA (net MIP) (M€)	25%

The Appointments and Remuneration Committee, at its meeting held on January 25, 2023, analysed the compliance with the objectives set for the payment of the variable remuneration corresponding to financial year 2022.

Regarding variable remuneration, it was established as an accrual requirement for all company employees that at least 80% of the EBITDA target had been achieved. The distribution of the objectives set was: 20% of the company objectives, 20% of the corporate departmental objectives or territorial objectives and 60% of individual objectives. The percentage of compliance with the company's objectives was 75%, that of the departments and regions ranged from 25% to 118% and the average compliance with the individual objectives was 71%.

In the case of the Chief Executive Officer's variable compensation, it is based entirely on the company's objectives, which are in themselves his personal and "departmental" objectives, although the distribution of these is modified to take into account the non-financial parameters, as follows:

	Weight
1. Margin Contribution Development (M€)	25%
2. Cranes (#)	25%
3. OpEx (M€)	15%
4. EBITDA (net MIP) (M€)	25%
5.ESG index score	10%

Thus, the company's objectives account for 90% and the objectives related to non-financial information or sustainability criteria account for the remaining 10%. The company's performance objective (financial metrics) was 75% met and the metrics related to sustainability objectives were 100% met.

Accordingly, the Committee approved a bonus of 300,000 € for the Chief Executive Officer.

B.4 *Report on the result of the advisory vote of the general meeting on the annual report on remuneration for the previous financial year, indicating the number of abstentions and negative, blank and affirmative votes cast:*

	Number	**% of issued**
Votes cast	70,070,137	87.6%

	Number	% of issued
Votes against	8,176,274	11.67%
Votes for	61,711,330	88.07%
Blank votes	-	-
Abstentions	182,533	0.26%

Observations

B.5 *Explain how the fixed components accrued and consolidated during the year by the directors in their capacity as such have been determined, their relative proportion for each director and how they have varied from the previous year:*

The fixed components of the remuneration of directors who qualify as "independent" and "other external" consist of a fixed annual salary and allowances for attendance at meetings of the Board and its committees. The amounts paid have been increased by 10,000 euros for the fixed annual remuneration of the directors for their status as such and 15,000 euros for the Chairman of the Board with respect to the remuneration paid in the previous year. The amounts paid to the directors are below the limit stipulated in the Board's Remuneration Policy.

The allowances have been paid based on attendance at meetings of the Board and its committees.
The proportion represented by the annual fixed remuneration compared to the total fixed components accrued and consolidated (fixed remuneration + attendance fees) for the directors Ricardo Martí Fluxá, Anna M. Birulés Bertran, Alfonso Rodés Vilà and Andreas Segal, are respectively 69%, 69%, 70% and 71%, not having produced significant differences with respect to the proportion that occurred in the previous year.

B.6 *Explain how the salaries accrued and consolidated during the year ended for each of the executive directors for the performance of management duties have been determined, and how they have varied with respect to the previous year.*

The salary earned by the Chief Executive Officer for performing management functions consists of a fixed salary and a variable compensation ("bonus"). The overall compensation (fixed and variable compensation) of the Chief Executive Officer has decreased by 21%, from 1,324,500 euros in fiscal year 2021 to 1,050,000 euros in fiscal year 2022. The difference is mainly due to the extraordinary bonus approved by the Appointments and Remuneration Committee for the execution of the corporate transaction of merger with Quabit.

With respect to the proportion of variable remuneration with respect to fixed remuneration, it has changed from 100% (same amount of fixed and variable remuneration) to 50% following the analysis and approval made by the Appointments and Remuneration Committee at the beginning of the 2022 financial year.

The variable salary has been determined as indicated in section B.3 above.

B.7 *Explain the nature and main features of the variable components of the remuneration systems accrued and vested in the financial year ended. In particular:*

- *Identify each of the remuneration plans that have determined the different variable remuneration accrued by each of the directors during the year ended, including information on their scope, date of approval, date of implementation, vesting conditions, if any, vesting periods and term, criteria used to assess performance and how this has impacted on the setting of the variable amount accrued, as well as the measurement criteria used and the time required to be in a position to adequately measure all stipulated conditions and criteria, detailing the criteria and factors applied in terms of the time required and methods to verify that the performance or other conditions to which the vesting and vesting of each component of variable remuneration was linked have been effectively met.*

- *In the case of stock option plans or other financial instruments, the general features of each plan shall include information on the conditions both for unconditional vesting and for the exercise of such options or financial instruments, including the exercise price and exercise period.*

- *Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans that incorporate variable remuneration.*

- *Where applicable, information shall be provided on vesting, vesting or deferral periods for payment of consolidated amounts that have been applied and/or holding/non-disposal periods for shares or other financial instruments, if any.*

As explained in section A.1 above, only executive directors can receive variable remuneration. Variable remuneration consists of the following:

1. **Annual bonus**, which is approved each year by the company's Board of Directors and the details of which can be found in section A.1 above;

2. **Long Term Incentives Plan 2020 ("2020 LTIP")**.

The 2020 LTIP was approved by the Board of Directors of the Company on February 28, 2020 with the favourable report of the Appointments and Remuneration Committee. The LTIP was included in the Board Remuneration Regulations that were approved by the General Shareholders' Meeting held on April 1, 2020.

In addition to certain employees of the Company, the Chief Executive Officer, who is an executive director, is a beneficiary of the 2020 LTIP.

This is a remuneration system consisting entirely of Company shares.

The 2020 LTIP consists of a single three-year cycle. The achievement period starts on January 1, 2020 and has ended on December 31, 2022. At the end of the achievement period, the number of shares of each beneficiary will be calculated taking into account the level of achievement of certain pre-approved metrics, which are detailed below, together with the shares equivalent to the dividends paid, both in accordance with the following:

- 50% of the shares earned will be delivered at the end of the three-year vesting period (initial payment), plus a number of shares equal to the dividends that would theoretically have been paid on the 50% of the shares earned from the start of the 2020 LTIP (1 January 2020) until the day of payment, divided by the average share price in the 6-month period prior to the end of the cycle.

- 25% of the shares obtained will be delivered one year after the initial payment, provided that the beneficiary remains in the Company and subject to malus provisions, plus a number of shares equal to the dividends that would theoretically have been paid on such 25% of the shares obtained since the beginning of the 2020 LTIP (1 January 2020) and until the day of payment, divided by the average share price in the 6-month period prior to the end of 2023.

- 25% of the shares obtained will be delivered two years after the initial payment, provided that the beneficiary remains in the Company and subject to malus provisions, plus a number of shares which will be equivalent to the dividends that would theoretically have been paid on such 25% of the shares obtained from the beginning of the 2020 LTIP (1 January 2020) until the day of payment, divided by the average share price in the 6-month period prior to the end of 2024.

50% of the amount payable is determined on the basis of the Company's EBITDA achievement, measured on a cumulative basis, the target being set at the beginning of the cycle.

The other 50% of the amount payable will be determined on the basis of total shareholder return, which will be calculated as the performance of the share price plus the value of dividends, if any, during the period assuming they are reinvested in Neinor Homes shares on the date they are received.

The maximum amount that the Chief Executive Officer can potentially receive is 2,700,000 euros in the case, with the basis for 100% compliance with the objectives being 1,800,000 euros.

The Plan's metrics are as follows:

50% EBITDA + 50% Total Shareholder Return (“TSR”)

EBITDA is measured cumulatively, with the target being set at the beginning of the cycle. It is defined as the sum of the EBITDA targets for the 3 years of the cycle and the achievement is based on the sum of the actual EBITDA for the same period.

TSR is calculated as the share price performance plus the value of dividends, if any, during the period, assuming they are reinvested in the Company's shares on the day they are received.

The initial share price is 11 €. The closing price will be the average of closing prices in the market sessions of the 6 months prior to the end of the cycle (1 July to 31 December 2022 inclusive).

The targets are as follows:

Target		**Incentive achieved (% of target shares)**
Level	**EBITDA**	
≥ MAXIMUM	≥ 410 M€	150%
TARGET	370 M€	100%
MINIMUM	330 M€	50%
< MINIMUM	< 330 M€	0%

Target		**Incentive achieved (% of target shares)**
Level	**TSR**	
≥ MAXIMUM	≥ 48.2 %	150%
TARGET	36.80 %	100%
MINIMUM	26 %	50%
< MINIMUM	< 26 %	0%

The Appointments and Remuneration Committee will have the power to propose to the Board of Directors the cancellation of the payment of the 2020 LTIP to the executive directors, in full or in part, in the event of certain supervening circumstances (reduction, or malus, and clawback clauses): (a) losses in the Neinor Homes Group (negative EBITDA / Profit after tax) in the year following the end date of the 2020 LTIP attributable to management decisions made in the achievement period of each year; (b) material restatement of the Group's financial statements, when so deemed by the external auditors, except where appropriate due to a change in accounting standards; (c) serious breach of the internal code of conduct by the executive director. The malus clause applies during the payment deferral period of the 2020 LTIP, while the clawback clause applies during the year following the delivery of the shares, in both cases only with respect to the shares to be delivered in each payment (after tax).

B.8 *Indicate whether certain accrued variable components have been reduced or clawbacked when, in the first case, the payment of unconsolidated amounts has been deferred or, in the second case, consolidated and paid, based on data that have subsequently proved to be manifestly inaccurate. Describe the amounts reduced or refunded by the application of the malus or clawback clauses, why they have been applied and the financial years to which they relate.*

As of the date of this report, the Company is not aware of any event that determines the application of clawback clauses for the reduction or refund of the variable components of remuneration.

B.9 *Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefits, which are partially or fully funded by the company, whether internally or externally endowed, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies it covers, the conditions of consolidation of the economic rights in favour of directors and its compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.*

The Company has not established any long-term savings system.

B.10 *Explain, if applicable, the indemnities or any other type of payment derived from early termination, whether the termination is at the will of the company or of the director, or from the termination of the contract, in the terms provided therein, accrued and/or received by the directors during the financial year ended.*

The Company has not paid any indemnities or other payments arising from the early termination of directors.

B.11 *Indicate whether there have been any significant changes in the contracts of those exercising senior management functions as executive directors and, if so, explain them. Also explain the main terms and conditions of the new contracts signed with executive directors during the year unless they have already been explained in section A.1.*

During the 2022 financial year, there were no changes to the contract of the person who performs senior management functions as Executive Director.

The main conditions of the contract signed with Mr. Francisco de Borja García-Egocheaga are detailed in section A.1.

B.12 *Explain any additional remuneration accrued to directors in consideration for services rendered other than those inherent to their position.*

The Company has not paid any additional remuneration to directors in consideration for services rendered other than those inherent to their position.

B.13 *Explain any remuneration derived from the granting of advances, loans and guarantees, with an indication of the interest rate, their essential characteristics and any amounts repaid, as well as the obligations assumed on their behalf by way of guarantee.*

The Company has not granted any advances, loans or guarantees to directors.

B.14 *Give details of the remuneration in kind earned by directors during the year, briefly explaining the nature of the different salary components.*

The directors in their capacity as such have not accrued remuneration in kind. Regarding the Chief Executive Officer, see section B.7.

B.15 *Explain the remuneration accrued by the director by virtue of payments made by the listed company to a third-party entity in which the director provides services when such payments are intended to remunerate the director's services in the company.*

No such remuneration has been paid.

B.16 *Explain and detail the amounts accrued during the year in respect of any other remuneration item other than those listed above, regardless of its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, in particular, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration for the performance of his executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued under "other items" in section C.*

There are no remuneration items other than those indicated above.

C. DETAILS OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	**Type**	**2022 accrual period**
Ricardo Martí Fluxá	Independent	01/01/2021 to 31/12/2021
Anna M. Birulés Bertran	Independent	01/01/2021 to 31/12/2021
Alfonso Rodés Vilá	Independent	01/01/2021 to 31/12/2021
Andreas Segal	Independent	01/01/2021 to 31/12/2021
Felipe Morenés Botín-Sanz de Sautuola	Proprietary	01/01/2021 to 31/12/2021
Juan José Pepa	Proprietary	01/01/2021 to 31/12/2021
Francisco de Borja García-Egocheaga	Executive	01/01/2021 to 31/12/2021
Van J. Stults	Proprietary	01/01/2021 to 31/12/2021
Aref H. Lahham	Proprietary	01/01/2021 to 31/12/2021

C.1 *Complete the following tables with respect to the individual remuneration of each of the directors (including remuneration for the exercise of executive functions) accrued during the financial year.*

a) Remuneration of the company that is the subject of this report:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Allowances	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total year 2022	Total year 2021
Ricardo Martí Fluxá	115	51							166	152.5
Anna M. Birulés Bertran	85	39							124	120
Alfonso Rodés Vilá	85	36							121	118.5
Andreas Segal	85	34.5							119.5	109.5
Felipe Morenés Botín-Sanz de Sautuola	6								6	123
Francisco de Borja García-Egocheaga				600	450				1,050	1,324
Juan José Pepa										
Van J. Stults										
Aref H. Lahham										

ii) Movement table of share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the 2022 financial year		Financial instruments granted during the 2022 financial year		Financial instruments consolidated in the financial year				Expired and unexercised instruments	Financial instruments at the end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of consolidated equivalent shares	Consolidated share price	Gross profit from consolidated shares or financial instruments (thousands €)	No. of instruments	No. of instruments	No. of equivalent shares
Ricardo Martí Fluxá												
Anna M. Birulés Bertran												
Alfonso Rodés Vilá												
Andreas Segal												
Felipe Morenés Botín-Sanz de Sautuola												
Juan José Pepa												
Francisco de Borja García-Egocheaga												
Van J. Stults												
Aref H. Lahham												

iii) Long-term savings schemes

	Remuneration for consolidation of rights to savings schemes
Ricardo Martí Fluxá	
Anna M. Birulés Bertran	
Alfonso Rodés Vilá	
Andreas Segal	
Felipe Morenés Botín-Sanz de Sautuola	
Juan José Pepa	
Francisco de Borja García-Egocheaga	
Van J. Stults	
Aref H. Lahham	

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Financial Year 2022		Financial Year 2021	
	Financial Year 2022	Financial Year 2021	Financial Year 2022	Financial Year 2021	Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
Ricardo Martí Fluxá								
Anna M. Birulés Bertran								
Alfonso Rodés Vilá								
Andreas Segal								
Felipe Morenés Botín-Sanz de Sautuola								
Juan José Pepa								
Francisco de Borja García-Egocheaga								
Van J. Stults								
Aref H. Lahham								

iv) Details of other items:

Name	Item	Amount of remuneration
Ricardo Martí Fluxá		
Anna M. Birulés Bertran		
Alfonso Rodés Vilá		
Felipe Morenés Botín-Sanz de Sautuola		
Juan José Pepa		
Francisco de Borja García-Egocheaga		
Van J. Stults		
Aref H. Lahham		

b) *Remuneration paid to company directors for their membership of the boards of other group companies:*

i) *Remuneration accrued in cash (in thousands of €)*

Name	Fixed remuneration	Allowances	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total financial year 2022	Total financial year 2021
Ricardo Martí Fluxá										
Anna M. Birulés Bertran										
Alfonso Rodés Vilá										
Andreas Segal										
Felipe Morenés Botín-Sanz de Sautuola										
Juan José Pepa										
Francisco de Borja García-Egocheaga										
Van J. Stults										
Aref H. Lahham										

ii) *Movement table of share-based remuneration schemes and gross profit from consolidated shares or financial instruments*

Name	Name of the Plan	Financial instruments at the beginning of the 2022 financial year		Financial instruments granted during the 2022 financial year		Consolidated financial instruments in the year				Expired and unexercised instruments	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ consolidated shares	Consolidated share price	Gross profit of consolidated shares or instruments (thousands €)	No. of instruments	No. of instruments	No. of equivalent shares
Ricardo Martí Fluxá												
Anna M. Birulés Bertran												
Alfonso Rodés Vilá												
Andreas Segal												
Felipe Morenés Botín-Sanz de Sautuola												
Francisco de Borja García-Egocheaga												
Juan José Pepa												
Van J. Stults												
Aref H. Lahham												

iii) *Long-term savings schemes*

	Remuneration for consolidation of rights to savings schemes
Ricardo Martí Fluxá	
Anna M. Birulés Bertran	
Alfonso Rodés Vilá	
Andreas Segal	
Felipe Morenés Botín-Sanz de Sautuola	
Juan José Pepa	
Francisco de Borja García-Egocheaga	
Van J. Stults	
Aref H. Lahham	

	Company's contribution for the financial year (thousands €)				Amount of accumulated funds (thousands €)			
Name	**Savings schemes with consolidated economic rights**		**Savings schemes with non-consolidated economic rights**		**Financial Year 2022**		**Financial Year 2021**	
	Financial Year 2022	**Financial Year 2021**	**Financial Year 2022**	**Financial Year 2021**	**Savings schemes with consolidated economic rights**	**Savings schemes with non-consolidated economic rights**	**Savings schemes with consolidated economic rights**	**Savings schemes with non-consolidated economic rights**
Ricardo Martí Fluxá								
Anna M. Birulés Bertran								
Alfonso Rodés Vilá								
Andreas Segal								
Felipe Morenés Botín-Sanz de Sautuola								
Juan José Pepa								
Francisco de Borja García-Egocheaga								
Van J. Stults								
Aref H. Lahham								

iv) Detail of other items

	Item	Amount of remuneration
Ricardo Martí Fluxá		
Anna M. Birulés Bertran		
Alfonso Rodés Vilá		
Andreas Segal		
Felipe Morenés Botín-Sanz de Sautuola		
Juan José Pepa		
Francisco de Borja García-Egocheaga		
Van J. Stults		
Aref H. Lahham		

c) *Summary of remuneration (in thousands of €):*

The summary should include the amounts corresponding to all the remuneration items included in this report that have been accrued by the director, in thousands of euros.

	Remuneration accrued in the Company					Remuneration earned in group companies					
Name	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration for savings schemes	Remuneration for other concepts	Total year 2022 company	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration for savings schemes	Remuneration for other concepts	Total year 2022 group	Total year 2022 company + group
Ricardo Martí Fluxá	166				166						166
Anna M. Birulés Bertran	124				124						124
Alfonso Rodés Vilá	121				121						121
Andreas Segal	119.5				119.5						119.5
Felipe Morenés Botín-Sanz de Sautuola	6				6						6
Francisco de Borja García-Egocheaga	1,050				1,050						1,.050
Juan José Pepa											
Van J. Stults											
Aref H. Lahham											

C.2 *Indicate the changes over the last five years in the amount and percentage change in the remuneration earned by each of the listed company's directors during the year, in the consolidated results of the company and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.*

Total amounts accrued and % annual change

	Year 2022	**% change 2022/2021**	**Year 2021**	**% variation 2021/2020**	**Year 2020**	**% variation 2020/2019**	**Year 2019**	**% variation 2019/2018**	**Year 2018**
Executive Directors									
Francisco de Borja García-Egocheaga	1050	-20.7%	1,324	64%	805	145%*	328.7		
External Directors									
Felipe Morenés Botín-Sanz de Sautuola	6	-95,12%	123	1%	121.5	0%	121.5	79%	68
Anna M. Birulés Bertran	124	3.33%	120	3%	117	-12%	133,5	37%	97.5
Ricardo Martí Fluxà	166	8.85%	152.5	2%	149.5	-8%	163	23%	133
Alfonso Rodés Vila	121	2.1%	118.5	4%	114	-10%	126	27%	99
Juan José Pepa									
Andreas Segal	119.5	9.13%	109.5	3%	106.5	6%	100.4		
Van J. Stults									
Aref H. Lahham									
Consolidated results of the company	96,572	-6.10%	102,855	47%	70,116	10%	63,748	39%	45,991
Average employee remuneration	59,459	-28.62%	83,299	31%**	63,632	-2%	64,641	-6%	68,727

* The increase corresponds to the fact that in 2019, the Chief Executive Officer held this position for a few months and not for the entire fiscal year, as was the case in 2020, 2021 and 2022.
** The difference between 2020 and 2021 is mainly due to the incorporation of Quabit employees to the Group with higher average salaries, the bonus for senior management for the performance and response to the pandemic exercise, the bonus for the integration of Quabit and finally, the salaries and wages of all those people who left the company in the last quarter of 2021 with the integration of Quabit and who were not considered as staff, as they did not belong to the company on 31.12.2021. In the current year, with a consolidated workforce, the average salary has been reduced, although it is slightly higher than in previous years due to the incorporation of part of Quabit's workforce with higher salaries.

D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding directors' remuneration that has not been included in the other sections of this report, but which it is necessary to include in order to provide more complete and reasoned information on the company's remuneration structure and practices in relation to its directors, briefly describe them.

This annual remuneration report was approved by the board of directors of the company at its meeting held on February 22, 2023.

Indicate whether any directors voted against or abstained from voting on the approval of this report.

Yes ☐ No ☒

Name or company name of the member of the Board of Directors who did not vote in favour of the approval of this report	Reasons (vote against, abstention, non-attendance)	Explain the reasons