



January 2023

**2022 ACTIVITIES REPORT OF THE BOARD OF DIRECTORS
OF NEINOR HOMES S.A. AND ITS COMMITTEES**



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Context

Neinor Homes S.A., in compliance with recommendation 6 of the **Code of Good Governance** of listed companies, has prepared a **report on the activities** of the different **Committees**, as well as that of the **Board of Directors**. This unified report, which is presented as an annex to this document, has a transversal approach of the Board of Directors and its Committees as presented below.



Purpose

The objective of this report is to detail the **operation, composition and meetings held & attendance**, as well as to describe the **activities developed** by the different management bodies of Neinor Homes.

A. Operation

In 2022 the assessment of the quality and efficiency of the functioning and performance of the Board of Directors and its Committees was carried out internally by the GRC & Internal Audit team. This evaluation, whose result has been very satisfactory, has considered 4 main inputs:

Diagnosis

98%
Effectiveness

Analysis of the level of alignment of practices with respect to a selection of reference standards

Self evaluation

97%
Effectiveness

Self evaluation and overview of the effectiveness of performance and functioning of Board of Directors by the directors

Benchmarking

In line

Analysis of the corporate governance practices of Neinor Homes against national and international comparable companies

Internal regulation and responsibilities review

High

Analysis of the level of coverage of the responsibilities that have been assigned based on internal documentation of the administrative body.



Strengths

- **High level of compliance** with the CGGLC recommendations.
- The company and its Board appreciate the importance of **sustainability and ESG issues**
- **Very positive assessment of the Directors** on the functioning of the Neinor Homes Board of Directors' Committees, especially the ACC.
- **Very positive assessment** on the performance of the **CEO, Board Secretary and GRC, Internal Audit & ESG Department**.
- **Interaction and dialogue** between the Board of Directors and Senior Management



Aspects of improvement

- Neinor Homes is behind in terms of **gender diversity**, both of its peers and the GGCLC's recommendations.
- The Succession Plan is an area for improvement and needs to be assessed and further developed.
- It is expected that both the level of information received on the **operation and performance of the subsidiaries** and the involvement in their decision-making processes will improve.
- It is proposed to evaluate the incorporation of a female Independent Director, to also **improve the proportion between Independent and Proprietary Directors**.

B. Composition



Board of Directors



Audit and Control Committee



Appointments and Remuneration Committee



Land Investment Committee

Name	Category	Position
Ricardo Martí Fluxá	Independent Director	
Anna M. Birulés Bertran	Independent Director	
Alfonso Rodés Vilà	Independent Director	
Andreas Segal	Independent Director	
Felipe Morenés Botín-Sanz de Sautuola	Proprietary Director ¹	
Juan Pepa	Proprietary Director	
Van J. Stults	Proprietary Director	
Aref H. Lahham	Proprietary Director	
Borja Garcia-Egocheaga	Executive Director	

Chairman / Chairwoman

¹ Mr. Morenés was reclassified from Independent Director to Proprietary Director on January 26th, 2022, the date on which the Appointments and Remuneration Committee approved his change in status and which was subsequently ratified by the Board based on article 529 duodecies of the Capital Companies Law.

C. Meetings held and attendance

The meetings held and their attendance have been as follows:

	Jan.	Feb.	Mar.	April	May	June	July	Sep.	Oct.	Nov.	Dec.	#	Attendance*
Board of Directors	1	1	1	2	2	2	1	-	1	1	1	13	99,15%
Audit and Control Committee	1	1	-	-	2	-	1	-	-	1	1	7	100%
Appointments and Remuneration Committee	1	1	1	-	1	-	-	-	-	-	1	5	100%
Land Investment Committee	-	1	3	-	1	-	1	1	1	1	1	10	100%

* Attended in person or by proxy.

The meetings held (a total of 35) were attended by the different general directions of Neinor Homes, as well as the CEO and CFO as third parties / guests . The number of meetings guests participated in is listed below:

	No. of meetings
CEO	20
Executive Vice-President	15
General Financial Directorate (also deputy CEO)	24
Investor Relations	2
Internal Audit, GRC and ESG Directorate	6
Real Estate General Directorate	11
General Directorate of Operations	7
General Directorate of Business	10
Chief Legal Officer	1
External Auditor	3

D. Activities developed

Board of Directors

- Approval of the proposal for the **application of the results and review and approval of the financial statements and report of 2021.**
- Proposal to convene the **General Shareholders Meeting 2022.**
- Examination and approval of the **Annual Corporate Governance Report and the Annual Report on Directors' Remuneration.**
- Review and approval of the report on the activities of the Board of Directors and its committees.
- Review and approval of the business plan, including **Budget 2022 and forecast 2023-2026.**
- Review and approval of **Q1, Q3 and H1 financial information** and the presentation provided to markets.
- Examination and approval of the **Non-Financial Information Report and Sustainability Report.**
- Appointment of: **Mr. Borja García-Egocheaga as the Company's new representative before SEPBLAC** and Mr. David Hernández as substitute. Appointment of the new Data Protection Officer and the new anti money laundering operational responsible.
- Approval of the appointment of **Mr. Alfonso Rodés as Chairman of the Audit and Control Committee** for a term of one year.
- Acknowledgement of the **letter of resignation received from Mr. Jorge Pepa.**
- Review and approval of the **merger operation by absorption of several subsidiaries** from Grupo Quabit by Neinor Peninsula, S.L.U.
- Review and approval of the amendments to the **internal corporate governance regulations.**
- Appointment of **Mr. Juan José Pepa as a member of the Land Investment Committee.**
- Analysis and evaluation of the activities carried out by the **Internal Audit Department.**
- Update and analysis of **corporate operations.**
- Approval of a program for the **repurchase of treasury shares.**
- Analysis and approval of transactions with related parties or with **conflicts of interest.**
- Approval of corporate policies: **Director selection policy; Succession plan for the Chairman, CEO and management team; Internal audit function manual; Corporate governance policy.**
- Update of development indicators: Land acquisition, launches and deliveries, sales and inflation.
- Update of the **Investor Relations Plan and investor communication strategy. ...etc.**

ACC

- Update and report of the **corporate risk map**
- Implementation of the new **whistle-blowing channel** for Neinor and its subsidiaries
- Review and report of **communications received through the whistle-blowing channel** and other issues related with **good practices and/or conflicts of interest.**
- Approval of the information on the SCIF to be included in the **2021 ACGR.**
- **Review of the merger by absorption** of several subsidiaries of the Quabit group by Neinor Peninsula.
- Report on the control of **Quabit Construction and Renta Garantizada**
- Development and report of the **Social Impact Report 2021...etc.**

ARC

- **Activities submitted to the Board of Directors** for approval and / or ratification.
- Presentation of the main **results achieved in 2021** and the milestones to be achieved in 202, in terms of salary and incentives.
- Proposals for internal **Board and Committees performance assessment.**
- Review of the **revision of the compensation of the CEO and VP.**
- Review of the **revision of the compensation of independent directors** and of the Secretary of the Board and **modification of the compensation policy for directors.**
- **Improvement of the Annual Remunerations Report and Remunerations Policy** in connection with the guidelines of the proxy advisors **...etc.**

LIC

- **Activities submitted to the Board of Directors** for approval and / or ratification.
- Update on the status of **acquisitions and launches** in the financial year 2022.
- Review of the **land acquisition program and launch of promotions for 2022.**
- Updates on the status of **sales and deliveries**
- Analysis of **Built to Rent assets** to acknowledge their value.
- **Rental business update.**
- Update on **cost inflation on construction.**
- Review of **corporate operations opportunities. ...etc.**