

SUCCESSION PLAN FOR DIRECTORS

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GRC and Internal Audit Management	Legal Department / CEO	Board of Directors



Neinor
H O M E S

Control of revisions		
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1. General aspects

As established in the approved Regulations of the Appointments and Remuneration Committee, this Committee, among other things, must: "review and formulate succession plans for directors, both executive and non-executive, especially in relation to the position of Chairman and CEO; and, where appropriate, draw up and submit recommendations to the Board of Directors to ensure that the succession is carried out in an orderly and planned manner".

In this regard, the Appointments and Remuneration Committee (ARC) of Neinor Homes S.A. (hereinafter, "Neinor Homes" or the "Company"), has approved this Plan in order to comply with the basic principles of transparency, as well as to ensure the continuity of the business in the event of changes in its management bodies.

2. Purpose

The purpose of this document is to lay the foundations for planning and executing the appropriate succession of Neinor Homes' directors, taking into account the skills and experience that the Board will need in the future and that the replacement is carried out with the least possible disruption to the normal operation of the company.

3. Scope

These Rules are applicable to the executive and non-executive directors (see the definition of each category in point 4.1 of this Plan) of the Neinor Homes Group and its subsidiaries.

4. Description of the Policy

4.1. Definitions

According to the Capital Companies Act¹, there are different types of directors:

- Executive Directors: those who perform management functions in the Company or its Group, regardless of their legal relationship with the Company.
- Non-executive directors: all other directors of the company, who may be proprietary, independent or other external directors.
 - Proprietary directors: those who hold a shareholding interest equal to or greater than that legally considered as significant or who have been appointed due to their status as shareholders, even if their shareholding interest does not reach that amount, as well as those who represent shareholders of the aforementioned.
 - Independent Directors: those who, appointed on the basis of their personal and professional qualifications, may perform their duties without being conditioned by relationships with the Company or its Group, its significant shareholders or its executives.
 - Other external: those who do not belong to any of the above groups.

4.2. Replacement plan for directors due to an occasional absence

When a director is absent for specific reasons (e.g. illness or unavailability of agenda, among others) and is therefore unable to perform his or her duties at a given time, Neinor Homes has appointed persons who are qualified to replace him or her. The selection of these substitutes has been carried out by assessing the merits of their skills to cover the function to be performed, following the guidelines set out in the Company's Director Selection Policy.

4.3. Succession plan for directors (executive and non-executive)

In view of the reasons that may lead to the removal of directors, as established in the Regulations of the Board of Directors, due to voluntary resignation, as well as for any

¹ The legislation referred to is article 529 duodecies on "Categories of directors" of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act

other unforeseen circumstance, Neinor Homes shall initiate the process of searching for candidates in line with the guidelines of the Company's Director Selection Policy, although the substitute established in the previous point of this Plan shall be the one who in the first instance assumes the duties of the director leaving the Company.

In particular, in the case of non-executive directors, Neinor Homes shall endeavour to ensure that their renewal takes place in a staggered and orderly manner, anticipating vacancies foreseen for reasons of age, length of service in the position, or due to a foreseeable reduction in the shareholding interest in the case of proprietary directors. For this reason, the Appointments and Remuneration Committee periodically and at least annually analyses whether any of the non-executive directors are expected to leave their position during the following year.

In this case, the ARC promotes the commencement of the search for substitutes to fill the position, following the guidelines established in the Neinor Homes Director Selection Policy, in order to identify the candidate in sufficient time to ensure an orderly succession. For this task, it may seek the advice of external experts.

4.4. Succession plan for the Chairman and CEO

In the event that the Chairman of the Board or the Chief Executive Officer gives advance notice of his intention to resign, the Appointments and Remuneration Committee shall, within a maximum period of 30 days, make a specific proposal to the Board of Directors regarding his replacement, which shall consider the candidate's requirements and his ability to lead the development and execution of the competencies to be assumed in the management and administration of the company.

In this regard, the ARC will favourably assess those candidates who are directors or managers of the Company or other Group Companies and have been associated with the person leaving the position for at least 5 years, such as directors or senior managers.

In the event of unexpected unavailability of the Chairman of the Board or the Chief Executive Officer, the Vice-Chairman, if any, or in his absence, the longest-serving director and, in the event of equal seniority, the oldest, shall temporarily assume the chairmanship of the Board of Directors. This person shall call a meeting of the Board within 48 hours of such unavailability becoming known. The agenda of the meeting shall

include the identification of the person temporarily assuming the duties of the chief executive.

5. Supervision and control of the Policy

The Appointments and Remuneration Committee shall ensure and verify compliance with and implementation of this Director Succession Plan, reporting periodically to the Board of Directors.

6. Entry into force and effectiveness

This Succession Plan for Directors is effective as from its approval by the Board of Directors of Neinor Homes on 23 July 2018.