



**TAX POLICY OF THE COMPANY AND ITS
COMMITMENT TO THE APPLICATION OF
GOOD TAX PRACTICES**



Neinor
HOMES

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1. Purpose

The tax policy of NEINOR HOMES, S.A. ("The Company") consists of ensuring compliance with the applicable tax regulations and of seeking adequate coordination of tax practices followed by the Group companies, all within the framework of achieving social progress and supporting a long-term business strategy that avoids tax inefficiencies and risks when taking business decisions. To this end, the Company takes into consideration all legitimate interests, including public interests, which converge in its activity. In this connection, the taxes that the Group pays in the territories in which it operates constitute its main contribution to the support of public commitments and, therefore, one of its contributions to society.

2. Principles

Compliance by the Group with its tax obligations and its relations with the tax authorities will be governed by the following principles, applicable to each of the Group companies:

- Compliance with tax regulations in the various territories in which the Group operates, paying the taxes incurred in accordance with the legal system.
- The adoption of tax decisions by the Group companies on the basis of a reasonable interpretation of the applicable regulations and in close connection with the group's activity.
- The prevention and reduction of significant tax risks, ensuring that taxation has an adequate link with the structure and location of activities, human and material resources and the Group's business risks.
- The strengthening of a relationship with the tax authorities based on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity and good faith, without prejudice to any legitimate controversies that, respecting the above principles and in defence of social progress, may arise with said authorities concerning the interpretation of the applicable rules.
- Informing the governing bodies about the main tax implications of the transactions or matters that are subject to their approval, when they constitute a relevant factor in shaping their free will.

- The conception of the taxes that the Group companies pay in the territories in which they operate as the main contribution to the support of public commitments and, therefore, one of their contributions to society.

3. Good tax practices

In application of the above principles, the Group assumes the following good tax practices:

- To follow the recommendations of codes of implemented good tax practices, taking into account the Group's specific circumstances and needs. In particular, the Company is going to take the decision to adhere in Spain to the Code of Good Tax Practices (the "Code") approved on 20 July 2010 by the plenary session of the Large Companies Forum – set up on 10 July 2009 at the request of the State Agency for Tax Administration.
- Not to use structures of a contrived nature unrelated to the Company's own activities and with the sole purpose of reducing its tax burden nor, in particular, carry out transactions with related companies solely for the purposes of reduction of the tax base or transfer of profits to low-taxation territories.
- To avoid opaque structures with tax purposes, this being deemed those intended to prevent knowledge by the competent tax authorities of the entity finally responsible for the activities or the ultimate owner of the assets or rights involved.
- Not to create or acquire companies resident in tax havens, with the sole exception of cases where it is obliged to do so because it is an indirect acquisition in which the company resident in a tax haven is part of a group of companies being acquired.
- To cooperate with the competent tax authorities in the detection of and search for solutions regarding any fraudulent tax practices of which the Company is aware that may be occurring in the markets in which the Group is present.
- To provide any tax-relevant information and documentation requested by the competent tax authorities, as soon as possible and with the proper scope.
- To make known and discuss adequately with the corresponding agency of the competent tax authorities all relevant issues of fact of which it is aware, for

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completion, where appropriate, of the case files concerned and to enhance, to the extent reasonably possible and without prejudice to good corporate management, agreements and conformities in the course of inspection procedures.

4. Monitoring and control

The Group companies will adopt the necessary control mechanisms to ensure, as part of an appropriate management of the business, compliance with the tax regulations and the above principles. Equally, they will allocate adequate and qualified human and material resources for such purposes. Annually, the person responsible for tax affairs of the company will inform the Board of Directors, either directly or through the audit committee, of the tax policies applied by the Group.

Similarly, in the case of transactions or matters that must be submitted for approval to the Board of Directors, he/she will report on the tax consequences thereof when they constitute a relevant factor.

5. Information to the market

The Company's Annual Corporate Governance Report will reflect the degree of effective compliance of the Code by the same, as well as the other codes to which the Group companies have adhered, and will report on the functioning of the tax risk control systems.