

# 2023 REPORT ON ACTIVITIES OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES OF NEINOR HOMES S.A.

Prepared by	Reviewed by	Approved by
GRC Management (Governance, Risk and Compliance)	Secretary of the Board	Board of Directors



**Neinor**  
HOMES

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## 1. General

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Neinor Homes S.A. (hereinafter “Neinor Homes” or the “Company”) is firmly committed to the orientation of its corporate governance practices to achieve the highest standards, align strategy and apply the relevant legislation and best practices in its day-to-day management and operations.

Following recommendation 6 of the Good Governance Code of listed companies approved by the Spanish National Securities Market Commission (hereinafter “CNMV”) in February 2015, and revised in June 2020, Neinor Homes will prepare a report on the functioning of the Audit and Appointments and Remuneration Committees, which will publish on its website well in advance of the Annual General Shareholders’ Meeting.

In this sense, this Activity Report includes the activities not only of the aforementioned Committees, but also of the other Board Committees existing in the Company (the Land Investment Committee) and of the Board of Directors itself.

The reporting period considered herein is the calendar year. This decision was adopted in order to ensure the greatest possible visibility and objectivity with regard to compliance with the Good Corporate Governance recommendations. Accordingly, the reporting period runs from January to December 2023. This will be the period taken as a reference by the Company in the future, to align reporting with the accounting and the “Corporate Governance” year, and to ensure that this Report is updated and available in time for the Ordinary General Shareholders' Meeting each year.

On the other hand, it should be noted that the Board and its delegated Committees discharge their supervisory and control functions with ongoing support from the:

- Chief Executive Officer.
- Secretary of the Board.
- GRC and Assurance Department (Corporate Governance, Internal Audit, Compliance, Risks and ESG).
- General Management.

These areas are at the disposal of Neinor Homes’ governing bodies whenever needed, working tirelessly to ensure the proper discharge of their duties and compliance with all of the obligations established by applicable legislation and best practices and in the area of good governance. They also provide Directors with any information needed on a timely basis to

allow between 6 and 12 days for review and analysis before meetings are held. They also channel the questions that Board and Committee members may raise and supply the relevant supporting and other documentation to ensure understanding of the issues.

Key activities undertaken by Neinor in the reporting period were as follows:

- Supervision and preparation of the ordinary General Shareholders' Meeting, held on 20 April 2023, covering aspects such as:
  - Review and approval of the Company's annual accounts, the corporate management, and the re-election of the auditor.
  - Review and approval of the proposal for the application of the result corresponding to the year ended December 31, 2022.
  - Re-election, where appropriate, of Ms. Anna M. Birulés Bertran, Mr. Ricardo Martí Fluxá and Mr. Alfonso Rodés Vilà as directors, with the category of independent directors, for the statutory period of three years.
  - Re-election, where appropriate, of Mr. Borja García-Egocheaga Vergara as director, with the category of executive director, for the statutory period of three years.
  - Re-election, where appropriate, of Mr. Aref H. Lahham, Mr. Van J. Stults and Mr. Felipe Morenés Botín-Sanz de Sautuola as directors, with the category of proprietary directors, for the statutory period of three years.
  - Review and approval of the management and performance of the Board of Directors during the year ended December 31, 2022.
  - Delegation of powers to formalize and execute all the resolutions adopted by the general meeting, for their notarization as a public document and their interpretation, correction, complementation, development and registration.
  - Consultative vote on the annual report on the remuneration of directors for the financial year ended 31 December 2022.
- Supervision and preparation of the extraordinary General Shareholders' Meeting, held on 01 September 2023, covering aspects such as:
  - Review and approval of a share capital reduction with the aim of refunding shareholder contributions by reducing the nominal value of the shares, and subsequent amendment of article 5 of the Articles of Association.

- Neinor Homes has carried out its sixth assessment of the quality and efficiency of the functioning and performance of its Board of Directors and its Committees. This year, it was supported by an external advisor, Georgeson, which ensured:
  - An even more objective view of the governing bodies and their performance.
  - A broader analysis and a more concise comparison of Neinor Homes' Good Governance practices with the practices of comparable national companies, with national standards (Code of Good Governance) and with international standards (proxy advisors and major foreign institutional investors).
  - A validation of the results obtained in the assessments carried out by internal audit in the previous two years.

In accordance with article 529 nonies of the Spanish Companies Law and Recommendation 36 of the Good Governance Code, Neinor Homes plans to carry out an external assessment of the functioning of the Board and its respective Committees, taking into consideration the recommendations contained in CNMV Technical Guide 3/2017 on Audit Committees. This assessment will be carried out annually and every three years the Board of Directors will be assisted in carrying out the assessment by an external consultant, whose independence will be verified by the Appointments Committee.

This assessment will be linked to action plans with improvement measures.

In addition, Neinor Homes has defined a training plan for the Board of Directors and its Committees, offering a refresher programme to update the Directors' knowledge and expertise in certain areas. The following subjects were addressed in 2023:

- Group Ethics and Compliance.
- Anti-money laundering and counter-terrorist financing.
- Cybersecurity.
- Market developments, macroeconomic situation and forecasts for the real estate sector.
- Update on ESG trends and regulatory changes: CSRD regulations, taxonomy and emissions.
- Valuation and appraisal of assets in 2023. General 2024 trends in the sector and applied to Neinor Homes.

This Activity Report has been presented and approved by each of the Board Committees with regard to the matters falling within their respective remits, and it has been approved in its entirety by the Board of Directors on 21 February 2024. Likewise, the present Report will be made available to the Company's shareholders on the corporate website prior to the holding of the Annual General Shareholders' Meeting.

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## **2. Purpose and Scope**

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The purpose of this document is to detail the functioning and composition of the Board of Directors and its three Committees: the Audit and Control Committee, the Appointments and Remuneration Committee and the Land Investment Committee, and describe the main activities and actions carried out by each body during the reported period (January–December 2023).

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### 3. Board of Directors

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Neinor Homes' Board of Directors is duly empowered to manage, direct, administer and represent the Company in accordance with applicable regulations and best corporate governance practices. As a general rule, the Board delegates ordinary management tasks to its committees and the management team, establishing the content, limits and type of powers granted, so as to concentrate on its supervisory functions and on the consideration of those matters of particular importance for the Company. The principles of action of the Board of Directors, as well as the basic rules governing its organization and functioning, and the rules governing the conduct of its members are set out in the Regulations of the Board of Directors, which is published on the corporate website:

[https://www.neinorhomes.com/uploads/documentos\\_contenidos/949/documento/Regulations-Board-of-Directors\\_Neinor.pdf](https://www.neinorhomes.com/uploads/documentos_contenidos/949/documento/Regulations-Board-of-Directors_Neinor.pdf)

#### 3.1. Functioning

In accordance with Article 16 of the Regulations of the Board of Directors, the Board shall meet *"at least, quarterly"* or *"at the initiative of the Chairman, as many times as the Chairman deems appropriate for the smooth running of the Company"* or also, according to article 9 of the aforementioned Regulation, *"when so requested by at least one-third of the Directors"*.

Notice of meetings of the Board of Directors shall be given by the Secretary *"at least seventy-two hours before the day of the meeting"*.

Meanwhile, the Board of Directors shall be duly convened *"when one-half plus one of the full number of Directors decided upon by the General Shareholders' Meeting is present in person or by proxy"*.

Resolutions shall be adopted by absolute majority of the Directors present at the meeting.

The Secretary shall draw up the minutes of meetings, listing the persons attending and describing the matters debated and the resolutions agreed.

#### 3.2. Membership

In accordance with Article 7 of the Regulations of the Board of Directors of Neinor Homes, *"The Board of Directors shall be made up of no fewer than five and no more than 15 members,*

*the exact number to be determined by the General Shareholders' Meeting". As of the date of this report, the number of members of the Board of Directors is set at 9, in accordance with the resolution adopted by the 2018 Ordinary General Shareholders' Meeting.*

The Regulations of the Board further stipules that the Company shall ensure that *"as far as possible, on the composition of the body, proprietary and independent Directors represent a majority of the Board of Directors, attempting that the number of independent Directors represent at least one third of the members of the Board of Directors"*. The Chairman of the Board *"shall be elected from among its members"*.

As of December 31, 2023, the composition of the Board was as follows:

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

The Board has a Secretary, Mrs. Silvia López Jiménez, who is not a member of the Board of Directors and therefore cannot vote.

In this regard, Neinor Homes complies with the requirements established and mentioned above, as it has 9 Directors, of which 4 are independent, 1 are executive and 4 are proprietary.

The professional résumé of each Director can be found on the corporate website: <https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

### **3.3. Meetings held and attendance**

The Board of Directors met a total of 12 times in the reporting period. The meetings of the Board of Directors were held on the following dates:

- 25 January 2023 (face-to-face and multilateral videoconferencing (Microsoft Teams)) \*

*"Paper copies may not be the latest version. Check online documentation"*



- 22 February 2023 (face-to-face)
- 15 March 2023 (in writing) \*
- 27 March 2023 (face-to-face and multi-stakeholder video conference (Microsoft Teams))
- 30 March 2023 (in writing)
- 5 May 2023 (in writing)
- 24 May 2023 (face-to-face and multiparty videoconference (Microsoft Teams)) \*
- 28 June 2023 (face-to-face)
- 26 July 2023 (multiparty videoconference (Microsoft Teams)). \*
- 11 October 2023 (face-to-face and multiparty videoconference (Microsoft Teams)). \*
- 22 November 2023 (face-to-face)
- 20 December 2023 (multiparty videoconference (Microsoft Teams)). \*

\* According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.

The percentage of attendance in person and proxies carried out with specific instructions, out of the total number of votes and possible attendance was 99,07% during the year. In addition, other members have participated, as detailed in the table below:

Other attendees	25/01/2023	22/02/2023	15/03/2023	27/03/2023	30/03/2023	05/05/2023	24/05/2023	28/06/2023	26/07/2023	11/10/2023	22/11/2023	20/12/2023
Vice-President	✓	✓		✓			✓	✓	✓	✓	✓	✓
General Financial Directorate	✓	✓		✓			✓	✓	✓	✓	✓	✓
Real Estate General Directorate				✓								
General Directorate of Operations								✓		✓		
General Directorate of Business								✓		✓		
Investor Relations Directorate											✓	
Senior Advisor		✓		✓			✓	✓	✓	✓	✓	✓

### **3.4. Activities**

The Board of Directors uses the diagnoses of supervisory activities, reports, policies and other obligatory activities of the Board, which is prepared by the GRC Department based on external laws and regulations (Spanish Companies Law, Securities Market Law and New Audit Law) and on the self-imposed undertakings made in the internal procedures and rules applicable to the Board and its Committees, as a tool to organize and plan its work, and to distribute and schedule the actions required to be taken over the course of the year.

The Corporate Governance scorecard is then used to track and control the work plans prepared by the Board and its Committees, and to establish activities and agenda items for the various Board and Committee meetings.

Finally, the Board also issues instructions to the GRC Department annually to carry out the following tasks on an ongoing basis:

- Make a diagnosis and report on compliance with the recommendations set out in the Code of Good Governance.
- Review compliance with technical, legal and information specifications regarding the mandatory content of the corporate website as stipulated in Circular 3/2015 of 23 June, of the Spanish National Securities Market Commission.

#### **Activity and items debated at meetings of the Board of Directors**

The most significant of all the matters examined and dealt with at the various Board meetings held during the year, in line with the functions and powers delegated to it, are summarized below. This summary is supplemented by the specific actions undertaken by each of the Committees, which are described herein in the sections titled "Activity".

Meanwhile, the Chairs of the various Committees track the items discussed at all Committee meetings in order to improve communication and ensure that all members are fully involved in the deliberation of all agenda items.

*The main aspects discussed and analysed at Board meetings during the 2023 financial year were as follows:*

- Drafting of the individual annual accounts and the individual management report of the Company for financial year ended on 31 December 2022
- Drafting of the consolidated annual accounts and the consolidated management report for financial year ended on 31 December 2022

- Proposal for the application of the results of financial year ended on 31 December 2022
- Review and approval of the Annual Corporate Governance Report (IAGC) corresponding to financial year ended on 31 December 2022, including the review of each director's category, following the favorable report of the Audit and Control Committee and the Appointments and Remunerations Committee
- Review and approval of the Annual Report on Directors' Remuneration (IAR) corresponding to financial year ended on 31 December 2022, following the favorable report of the Appointments and Remunerations Committee
- Review and approval of the Non-Financial Information and Sustainability Memorandum Report
- Review and approval of the salaries, goals and target bonus of the Chief Executive Officer for 2023
- Assessment of the Board and its Committees
- Review and approval of the annual report on the activities of the Board and its Committees
- Approval of the appointment of Ms. Anna Birulés Bertrán as Chairman of the Audit and Control Committee for a period of three years
- Review and approval of the re-election of directors proposal. Submission to the general shareholders' meeting for approval:
  - Approval of the re-election proposal of Ms. Anna M. Birulés Bertrán, Mr. Ricardo Martí Fluxá and Mr. Alfonso Rodés Vila as independent directors of the Company for the statutory period of three years
  - Approval of the re-election proposal of Mr. Borja García-Egocheaga Vergara as an executive director of the Company for the statutory period of three years
  - Approval of the re-election proposal of Mr. Aref H. Lahham, Mr. Van J. Stults and Mr. Felipe Morenés Botín-Sanz de Sautuola as proprietary directors of the Company for the statutory period of three years
- Review and approval of modifications to the policy on conflicts of interest and related parties

- Review and approval of the anti-harassment protocol
- Update on rental crystallization
- Acquisition strategy and co-investment update and forecast
- Capital markets update
- Review of quarterly financial information
- Review of press releases and market presentations
- Re-election of Mr. Francisco de Borja García-Egocheaga Vergara as chief executive officer, ratification of the services agreement executed with the Company and delegation of powers
- Review and approval of the Annual Financial Report corresponding to financial year ended on 31 December 2022, following the favorable report of the Audit and Control Committee
- Review and approval of the summarized financial statements corresponding to the twelve months of financial year ended on 31 December 2022, following the favorable report of the Audit and Control Committee
- Review and approval of the new incentive plan 2023-2025 for certain executives and the executive director
- Approval of the targets of the first annuity of the new incentive plan
- Acknowledgement of the report regarding the independence of the auditors and on the delivery of services different from the audit services
- Review and approval of a tender offer to partially repurchase and redeem senior secured notes issued in April 2021.
- Acknowledgement of the report on related transactions and conflict of interest
- Acknowledgement of the information on treasury shares transactions in accordance with article 7.8 of the Internal Code of Conduct in Securities Markets
- Review and approval of the Business Plan 2024-2027 and communication plan
- Report on the press release and presentation regarding the annual results of the Company

- Review and approval of the re-election proposal of the auditor of the Company, as well as its group, for financial year ending on 31 December 2023 proposal.
- Review and approval of the voluntary early redemption and cancellation of senior secured notes issued in April 2021.
- Approval of the terms and conditions of the early cancellation and redemption of the RFA and the early voluntary redemption of the Outstanding Notes
- Approval of the terms and conditions of a senior financing transaction
- Review and approval of the specific targets of the bonus of the executive director and certain members of top management for 2023
- Review and approval of the proposal for the convening and date of the next Ordinary General Shareholders' Meeting of the Company.
- Review of the contingency plan in terms of OPEX savings in the Business Plan 24-27
- Follow-up of the evolution of financial year 23: situation to date and pending challenges
- Review and approval of the down payment of the variable remuneration 2023 requested by the Senior Advisor under the Senior Advisor Agreement
- Review and approval of the H1 financial information and summarized consolidated interim financial statements
- Review and approval of the presentation regarding the H1 results of the Company and update of Capital Markets Strategy
- Review and approval of the proposals on two capital reductions to reimburse shareholders contributions by reducing the nominal value of the shares
- Review and approval of the capital reduction by means of the redemption of treasury stock proposal
- Ratification of the incorporation of a joint venture with Orion in accordance with Annex V of the Policy of Conflicts of Interest and Related Parties Transactions
- Review and approval of the proposal to call an Extraordinary General Meeting of Shareholders of the Company
- Co-investment update: BTS / BTR / Living

- Activity update: business planning, land purchase planning, construction progress, sales performance
- Change of corporate address of Neinor Homes, S.A. with effects from November 1st, 2023, and the corresponding amendment to the Company's bylaws
- Review and approval of the amendments to the Directors' Remuneration policy and submission to the Annual Shareholders' meeting 2024 for approval
- Forecast closing and achievements FY 2023
- Assessment of the Board and its Committees
- Calendar of Board meetings for 2024

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## 4. Audit and Control Committee (ACC)

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Neinor Homes' Audit and Control Committee (ACC) was created by the Board of Directors on 14 May 2015 as a reporting and consultative body without executive functions but vested with powers to report, advise, and make proposals within its remit, as determined in the Committee Regulations published on the corporate website:

[https://www.neinorhomes.com/uploads/documentos\\_contenidos/951/documento/Audit-and-Control-Committee-Charter\\_Neinor.pdf](https://www.neinorhomes.com/uploads/documentos_contenidos/951/documento/Audit-and-Control-Committee-Charter_Neinor.pdf)

### 4.1. Functioning

In accordance with Article 4 of the ACC Regulations, the Committee shall meet *“at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required,”* or also *“at the request of any of its members, of the external audit lead partner, or the head of internal audit, as well as when called by its chairman. Furthermore, the chairman is to call the meeting whenever the Board of Directors or its chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority”*.

Meetings shall be convened by the Committee Secretary, who notifies each member, at least, three business days in advance of the date set for each meeting.

In addition, the ACC may also be expressly convened to meet by the Governance, Risk and Compliance (GRC) and Internal Audit Function, as it reports functionally and hierarchically to the Commission.

Committee meetings are deemed quorate whenever attended, either in person or by proxy, by half plus one of their members. Resolutions are adopted by absolute majority vote of members present.

The Secretary is responsible for drawing up the minutes to each meeting, which must include a list of attendees, the matters debated and the resolutions adopted.

### 4.2. Membership

In accordance with Article 14 of the Regulations of the Board of Directors of Neinor Homes, the ACC *“shall be made up of no fewer than three and no more than five Directors, appointed*

by the Board of Directors itself, all of whom must be non-executive Directors. A majority of the Audit and Control Committee members shall be independent [Directors]”. Moreover, “The Chairman of the Audit and Control Committee [shall be appointed] from among the independent Directors that are members of that Committee”.

As of December 31, 2023, the composition of the ACC was as follows:

Name	Position	Category
Alfonso Rodés Vilà	Member	Independent Director
Anna M. Birulés Bertran	Chairman	Independent Director
Ricardo Martí Fluxá	Member	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Member	Proprietary Director
Van J. Stults	Member	Proprietary Director

The Secretary to the Committee is Ms Silvia López Jiménez, who is not a member of any Committee or of the Board of Directors and therefore cannot vote.

It is seen that the Company meets the requirements established, having formed an ACC with 5 members, 3 of whom, including the Committee’s chair, are Independent Directors.

The professional résumé of each ACC member is available on the corporate website: <https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

#### **4.3. Meetings held and attendance**

The Audit and Control Committee met on 6 occasions in the reporting period, and the meetings were held on the following dates:

- 25 January 2023 (face-to-face and multilateral videoconferencing (Microsoft Teams)) \*
- 22 February 2023 (face-to-face)
- 24 May 2023 (face-to-face and multiparty videoconference (Microsoft Teams)) \*
- 26 July 2023 (multiparty videoconference (Microsoft Teams)). \*
- 22 November 2023 (face-to-face)
- 20 December 2023 (multiparty videoconference (Microsoft Teams)). \*



\* According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.

At all the meetings, 100% of the Directors and the Secretary of the Committee were present or were given proxies to vote. In addition, other members of senior management or external collaborators attended, as detailed in the following table:

Other attendees	25/01/2023	22/02/2023	24/05/2023	26/07/2023	22/11/2023	20/12/2023
CEO		✓	✓	✓	✓	
Vice-President		✓	✓	✓	✓	
General Financial Directorate		✓	✓	✓	✓	
GRC, Internal Audit & ESG Directorate	✓	✓	✓	✓	✓	✓
Chief Legal Officer					✓	
External Auditor		✓		✓		
Investor Relations Directorate		✓				
General Directorate of Business						✓
Rental Directorate						✓

The Committee often requires the CEO to attend its meetings to report on various situations, actions or risks.

The Committee also holds recurring meetings with the GRC, Internal Audit & ESG management and the external auditors, which are not attended by the CEO or other executives in order to safeguard any conflicts of interest that may arise.

#### **4.4. Activities and training**

##### **Training**

Internal Audit Department, at the Committee's request, in order to update the rules and good practices, has prepared a series of analyses and tasks in order to maintain absolute compliance with the aspects related to Good Governance and Compliance, among which we can highlight:

- Changes in the regulations relating to the CNMV (Capital Companies Act, Securities Market Act and Law on Account Auditing).
- Group Ethics and Compliance.
- Update on ESG trends and regulatory changes: CSRD regulations, taxonomy and emissions.
- Valuation and appraisal of assets in 2023. General 2024 trends in the sector and applied to Neinor Homes.
- Non-financial information.
- Market developments, macroeconomic situation and forecasts for the real estate sector.

### **Activities carried out**

The most significant of all the matters examined and dealt with at the various meetings of the ACC held during the year, in line with the functions and powers delegated to it, are summarized below:

#### *(\*) Activities submitted to the Board for approval and/or ratification*

- Report of the activities carried out by Internal Audit and GRC in 2022 (\*)
- Review and approval of the annual report on the activities of the Audit and Control Committee
- Review and approval, where appropriate, of the report on related transactions and conflicts of interests for fiscal year 2022 (\*)
- Proposal of training for the Board for 2023 (\*)
- Review of the annual financial information as of 31 December 2022 including the Annual Financial Report and the annual accounts corresponding to the financial year ended on 31 December 2022. Presentation on the conclusions regarding the audit carried out by Deloitte, S.L. (\*)
- Review of the proposed summarized financial statements corresponding to the twelve months of the financial year ended on 31 December 2022.

- Review and approval of the proposal to the Board of Directors regarding the re-election of the auditor of the Company, as well as its group, for the financial year ending 31 December 2023 (\*)
- Report on the negotiation of treasury shares by the Company (\*)
- Report on the press release and explanatory presentation of the Company's annual results (\*)
- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for financial year ended on 31 December 2022 (\*)
- Review and approval of:
  - The information regarding ICFRS to be included in the Annual Corporate Governance Report (IAGC).
  - The external auditor's verification report on ICFRS
  - The executive summary of the internal auditor on ICFRS.
- Report on the Q1 financial information (\*)
- Results of the external audit of AML/CFT prevention, risk self-assessment report and annual report on AML/CFT prevention activities
- Results of the external data protection audit
- Review of the modifications to the policy on conflicts of interest and related parties and of the anti-harassment protocol (\*)
- Situation and evolution of sustainability aspects
- Report on the press release and presentation regarding the H1 financial information (\*)
- Presentation of the audit work carried out for the review of the financial statements of H1 and external audit recommendations (\*)
- Update on the estimation of risks arising from ongoing legal proceedings (\*)
- Review of the various quarterly reports on the review of the company's internal control and risks
- Analysis and reporting of communications received through the whistle-blowing channel (\*)

- Update and monitoring of the results to date of the Sustainability Plan and presentation of the social impact of the developments of year 2022
- Review and approval of the report on the auditor's independence and on the delivery of services different from the audit services (\*)
- Review and approval of the Non-Financial Information and Sustainability Memorandum Report to be included in the consolidated management report (\*)
- Review of the H1 financial information and summarized consolidated interim financial statements (\*)
- Report on the capital reductions to reimburse shareholders contributions by reducing the nominal value of the shares (\*)
- Report on the capital reduction by means of the redemption of treasury stock (\*)
- Review and, if applicable, favourable report of the down payment of the variable price 2023 requested by the Senior Advisor under the Senior Advisor Agreement (\*)
- External Audit Effectiveness Report
- Planning and follow-up of the external audit (planning of the closing of annual accounts and review of non-financial information, results of preliminary work / risks identified)
- Reports of Renta Garantizada and Quabit Construction (\*)
- Presentation of GRC plan for 2024
- Presentation of the Audit and Control Committee's work schedule for 2024
- Review and approval of non-audit services provided by the external auditor
- Conflict of interest report for the formalisation of an investment vehicle with Orion (\*)
- Report on the cybersecurity attack. General structure of cybersecurity in the Group and measures taken (\*)
- Approval of the protocols for the analysis and identification of investors in operations for the formalisation of Joint Ventures for co-investment operations (KYC investors) (\*)
- Review of compliance with the internal code of conduct and corporate governance rules (article 14 c) of the charter of the Committee)

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## 5. Appointments and Remuneration Committee (ARC)

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Neinor Homes' Appointments and Remuneration Committee (ARC) was set up by the Company's Board of Directors on 14 May 2015 as an internal informative and consultative body without executive functions duties, but vested with reporting, advisory and proposal-making powers within its remit, as determined in the Committee Regulations published on the corporate website:

[https://www.neinorhomes.com/uploads/documentos\\_contenidos/955/documento/Appointments-and-Remuneration-Committee-Charter\\_Neinor.pdf](https://www.neinorhomes.com/uploads/documentos_contenidos/955/documento/Appointments-and-Remuneration-Committee-Charter_Neinor.pdf)

### 5.1. Functioning

In accordance with article 4 of the ARC Regulations, *"The Committee shall meet every three months or, at least, four times per year,"* or *"... when any of its members requests it or when duly called by the Chairman of the Committee. The Chairman is to call the meeting whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority"*.

Meetings of the ARC are convened by the Committee Secretary, who sends prior notice of the meeting to each member and any other persons required to attend reasonably in advance of the date on which it is to be held.

A valid quorum will be reached when half plus one of the Directors holding seats on the Committee are present in person or by proxy. Resolutions must be adopted by majority vote of the Committee members attending.

The Secretary shall draw up the minutes of meetings, listing the persons attending and describing the matters debated and the resolutions agreed.

### 5.2. Membership

In accordance with Article 15 of the Regulations of the Board of Directors of Neinor Homes, the ARC *"shall be made up of no fewer than three and no more than five Directors, appointed by the Board of Directors itself, all of whom shall be non-executive Directors. The majority of the members of the Appointments and Remuneration Committee shall be independent Directors"*. The Board of Directors shall appoint the Committee's Chair *"from among the independent Directors holding seats on the same"*.

As of December 31, 2023, the composition of the ARC was as follows:

Name	Position	Category
Ricardo Martí Fluxá	Chairman	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Member	Proprietary Director
Alfonso Rodés Vilà	Member	Independent Director
Anna M. Birulés Bertran	Member	Independent Director
Van J. Stults	Member	Proprietary Director

In addition, the Committee has a Secretary, Silvia López Jiménez, who is not a member of any Committee or of the Board of Directors and therefore cannot vote.

In this connection, Neinor Homes complies with the established requirements since it has 5 Directors in its ARC, 60% of whom are independent, including its Chair.

The professional résumé of each ARC member is available on the corporate website: <https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

### **5.3. Meetings held and attendance**

The Appointments and Remuneration Committee held 9 meetings in the reporting period, on the following dates:

- 16 January 2023 (multiparty videoconference (Microsoft Teams)). \*
- 25 January 2023 (face-to-face and multilateral videoconferencing (Microsoft Teams)) \*
- 22 February 2023 (face-to-face)
- 27 March 2023 (face-to-face and multi-stakeholder video conference (Microsoft Teams))
- 30 March 2023 (in writing)
- 24 May 2023 (face-to-face and multiparty videoconference (Microsoft Teams)) \*
- 26 July 2023 (multiparty videoconference (Microsoft Teams)). \*
- 22 November 2023 (face-to-face)
- 20 December 2023 (multiparty videoconference (Microsoft Teams)). \*

\* According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.

The percentage of attendance and proxies made with specific instructions, out of the total votes and attendance possible, was 100% during the year. In addition, apart from other Directors, other members of senior management or external collaborators participated, as detailed in the following table:

Other attendees	16/01/2023	25/01/2023	22/02/2023	27/03/2023	30/03/2023	24/05/2023	26/07/2023	22/11/2023	20/12/2023
CEO	✓	✓	✓			✓	✓	✓	
Vice-President	✓	✓					✓		
General Financial Directorate		✓					✓		
GRC, Internal Audit & ESG Directorate		✓							✓

#### 5.4. Activities

The most significant of all the matters examined and dealt with at the various meetings of the ARC held during the year, in line with the functions and powers delegated to it, are summarized below:

(\*) *Matters brought before the Board for approval and/or ratification*

- Review of the proposal of payment of bonus to the employees and top management of the Company in connection with year 2022 and review of the remuneration for 2023 (\*)
- Forecast closing 2022 (\*)
- Review and approval of bonus accrued to employees and senior management in 2022 (\*)
- Review of the performance and approval of the bonus accrued by the employees and the top management on 2022 (\*)

- Review and approval of the salaries, goals and target bonus of the employees and the top management for 2023 (\*)
- Review of the performance and approval of the targets and incentives accrued by the CEO on 2022 (\*)
- Review and favourable report of the salary, goals and target bonus of the CEO for 2023 (\*)
- Review of the performance and approval of the incentives accrued in connection with the NLTIP and SIP 2020-2022 and liquidation of the programme (\*)
- Assessment of the Board of Directors and its committees (\*)
- Review and approval of the annual report on the activities of the Board and its Committees (\*)
- Review of the specific targets of the bonus of the executive director and certain members of top management for 2023 (\*)
- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for financial year ended 31 December 2022 (\*)
- Report on the Annual Report on the Remuneration of directors (IAR) for financial year ended on 31 December 2022 (\*)
- Re-election proposal of Ms. Anna M. Birulés Bertrán, Mr. Ricardo Martí Fluxá and Mr. Alfonso Rodés Vila as independent directors of the Company for the statutory period of three years (\*)
- Report on the re-election of Mr. Borja Garcia-Egocheaga Vergara as executive director and of Mr. Aref H, Lahham, Mr. Van J. Stults and Mr. Felipe Morenas Botín-Sanz de Sautuola as proprietary directors of the Company for the statutory period of three years (\*)
- Appointment proposal of Ms. Anna Birulés Bertrán as chair of the Audit and Control Committee for a period of three years (\*)
- Review and approval of the Management Incentive Plan 2023-2025 (\*)
- Review and approval of an update of the remunerations of the Directors and Board Secretary (\*)



- Approval of the new incentive plan 2023.2025 for certain executives and the executive director (\*)
- Approval of the targets of the first annuity of the new incentive plan (\*)
- Review and approval, of the Regulations of the new Management Incentive Plan (\*)
- Review and, if applicable, favourable report of the down payment of the variable price 2023 requested by the Senior Advisor under the Senior Advisor Agreement (\*)
- Review and favorable report of the amendments to the Directors' Remuneration policy (\*)
- Presentation of the Appointments and Remunerations Committee Plan 2024
- Assessment of the Board and its Committees (\*)
- Review of the dedication of non-executive directors (article 11 a) of the charter of the Committee)
- Review of compliance with the internal code of conduct and corporate governance rules (article 14 c) of the charter of the Committee)

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## 6. Land Investment Committee (LIC)

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Neinor Homes' Land Investment Committee (LIC) was set up by the Company's Board of Directors on 14 May 2015 and is a body with powers of information, supervision, advice and proposal in the matters within its competence that are specified in its Regulations, published on the corporate website:

[https://neinorhomes.com/uploads/documentos\\_contenidos/953/documento/Land-Investment-Committee-Charter\\_Neinor.pdf](https://neinorhomes.com/uploads/documentos_contenidos/953/documento/Land-Investment-Committee-Charter_Neinor.pdf)

### 6.1. Functioning

In accordance with Article 4 of the LIC Regulations, the Committee is required to meet *"at least, four times per year,"* as well as *"... when any of its members requests it or when duly called by the chairman of the Committee. The chairman is to call the meeting whenever the Board of Directors or its chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority"*.

The meetings of the LIC are convened by the Committee secretary, who forwards notice of each meeting *"to each member of the Committee, any other person required to attend and all other non-executive Directors, no later than three (3) working days before the date of the meeting"*.

The LIC adopts resolutions by simple majority vote.

The Secretary is responsible for drawing up the minutes, which include a summary of deliberations and decisions, the names of the persons present and attending, as well as the details of the votes cast.

### 6.2. Membership

Article 1 of the Neinor Homes Land Investment Committee Regulations establishes the membership of the LIC, which *"shall be made up of at least three and a maximum of seven members"*, who shall be *"appointed by the Board of Directors of the Company"*, and the *"majority of the members of the Commission shall be non-executive Directors"*. Also, *"The Board shall appoint the Committee Chairman"*.

As of December 31, 2023, the composition of the LIC was as follows:

Name	Position	Category
Aref H. Lahham	Chairman	Proprietary Director
Borja Garcia-Egocheaga	Member	Executive Director
Ricardo Martí Fluxá	Member	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Member	Proprietary Director
Van J. Stults	Member	Proprietary Director
Andreas Segal	Member	Independent Director
Juan Pepa	Member	Proprietary Director

In addition, the Committee has a Secretary, Mrs Silvia López Jiménez, who is not a member of any Committee or of the Board of Directors and therefore cannot vote.

Neinor Homes complies with the established requirements since it has 7 members in its LIC, 86% of whom are non-executive Directors (29% independent and 57% proprietary).

The professional profile of each LIC member is available on the corporate website: <https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

### **6.3. Meetings held and attendance**

The Land Investment Committee has held 10 meetings in the reporting period, which took place on the following dates:

- 22 February 2023 (face-to-face)
- 24 May 2023 (face-to-face and multiparty videoconference (Microsoft Teams)) \*
- 26 July 2023 (multiparty videoconference (Microsoft Teams)). \*
- 22 November 2023 (face-to-face)

*\* According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, during 2021 the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.*

The percentage of attendance and proxies made with specific instructions, out of the total votes and attendance possible, was 100% during the year. In addition, apart from other Directors, other members of senior management or external collaborators participated, as detailed in the following table:

Other attendees	22/02/2023	24/05/2023	26/07/2023	22/11/2023
Vice-President	✓	✓	✓	✓
General Financial Directorate	✓	✓	✓	✓
Real Estate General Directorate	✓	✓	✓	✓
General Directorate of Operations	✓	✓	✓	✓
General Directorate of Business	✓	✓	✓	✓
Senior Advisor	✓	✓	✓	✓

#### 6.4. Activities

The most significant of all the matters examined and dealt with at the various meetings of the LIC held during the year, in line with the functions and powers delegated to it, are summarized below:

*(\*) Matters brought before the Board for approval and/or ratification.*

- Follow up on strategic considerations and guidance approval for 2023
- Bond refinancing update & cash Management (\*)
- Investment Strategy update (\*)
- Deliveries overview 2023
- Review and approval of the annual report on the functioning of the Land Investment Committee
- Development overview
- Update on rental crystallization (\*)
- Update on co-investment (\*)
- Update on acquisitions and projects
- Overview of the development activity
- ICM and Second Goes approvals

*"Paper copies may not be the latest version. Check online documentation"*

- Regular updates on marketing processes
- Regular updates on potential land acquisitions by the company
- Forecast closing and results 2023

It is noteworthy that the approval of land acquisition transactions, and the launch of developments that cannot be delayed until the earliest date of a LIC meeting, is done by its members by e-mail, after sending to the Directors by that same means the documentation related to said investment (ICM “Investment Committee Memorandum” and 2<sup>nd</sup> GO VS “Viability Study”, mainly), for its analysis and approval. Therefore, these approvals are also given by the Committee without the need to hold a physical meeting.