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**REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF
NEINOR HOMES, S.A. ON THE AMENDMENTS TO THE REMUNERATION
POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS 2022-2025**

1. Introduction

Articles 518 and 529 novodecies of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, 2010 (the "CCA") establish the obligation for listed companies to have a remuneration policy for the members of the Board of Directors (hereinafter, the "**Remuneration Policy**" or the "**Policy**") approved by the General Shareholders' Meeting as a separate item on the agenda.

It has been deemed necessary to amend the existing Remuneration Policy, in order to update the description of the Company's long-term variable compensation plan, since the plan contained in the previous Policy, called the 2020 Long Term Incentive Plan (hereinafter "2020 LTIP"), ended in 2023, having been replaced by a new plan, the "Management Incentive Plan 2023-2025" (hereinafter "**MIP 2023-2025**"), which was approved by the Board, with the favorable report of the Appointments and Compensation Committee, at its meeting held in writing on March 30, 2023.

Likewise, the references that existed in the Policy to the Executive Director other than the CEO are eliminated, since there is currently only one executive director, the Chief Executive Officer, as the other director who held that position, Mr. Jorge Pepa, resigned in April 2022.

For this reason, it is convenient to propose to the General Shareholders' Meeting the modification of the current Remuneration Policy, in the sense indicated above.

The proposal for modification of the Remuneration Policy by the General Shareholder's Meeting must be submitted, duly motivated, by the Board of Directors, and must be accompanied by a specific report from the Appointments and Remuneration Committee.

For this reason, in accordance with Article 15 of the Board Regulations and 529 novodecies section 4 in relation to section 1 of the CCA, this report is issued by the Appointments and Remuneration Committee on the proposed amendment of the Remuneration Policy (the "**Report**").

The amended Compensation Policy is attached to this report as an **Annex**.

2. Purpose and general justification for the proposal

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The main purpose of the proposed amendments to the Directors' Remuneration Policy is to update the description of the Company's long-term variable remuneration plan and to eliminate certain references that are no longer applicable.

3. Detailed justification of the proposal

The following is a more detailed explanation and justification of the main changes proposed:

3.1 Long-Term Incentive Plan

The description of the Long-Term Incentive Plan 2020, which is no longer in force, is replaced and the main features of the new incentive plan, called Management Incentive Plan 2023-2025, are included.

3.2 References to the Executive Directors

References to Executive Directors are replaced by the CEO, since there is currently only one Executive Director, the Chief Executive Officer.

4. Effective date

The Directors' Remuneration Policy remains in effect for its original term, i.e. from its approval by the Ordinary General Shareholders' Meeting on April 13, 2022, and for the three fiscal years following the fiscal year corresponding to the date of approval, i.e. until December 31, 2025.

Any modification or replacement of the Policy during the period of its validity will require the prior approval of the General Shareholders' Meeting.

5. Conclusions

The Appointments and Remuneration Committee considers that the amendments included in the Policy, which consist of updating the description of the Company's long-term variable remuneration plan and the elimination of some references that are no longer applicable are duly justified and are necessary to eliminate the references that were in the Policy and that have become obsolete.

On this basis, the same has been submitted, with its favorable report, to the Board of Directors of the Company, who in turn submits it to the approval of the next Ordinary General Shareholders' Meeting, in accordance with current legislation.

In Madrid, on February 21, 2024.

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Annex

Directors' Remuneration Policy amended

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Remunerations policy for the members of the Board of Directors

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1. BACKGROUND AND SCOPE OF THE REMUNERATIONS POLICY

This document reflects the Remunerations Policy for the members of the Board of Directors of Neinor Homes, S.A. (“**Neinor**” or the “**Company**”) in compliance with the statutory requirements in the Consolidated Text of the Capital Companies Law, approved by Royal Legislative Decree 1/2010, of July 2, 2010 (hereinafter, the “**Capital Companies Law**”) (the “**Remuneration Policy**” or the “**Policy**”).

The Remunerations Policy has been prepared by the Company taking into account the significance of the Company, its financial status and market standards for comparable companies.

In this process, the Company has counted with the legal advice of Roca Junyent, S.L.P. In addition, the Company has received advice from Seeliger y Conde in the development of the Company's long-term variable compensation plan described in the Policy.

The remuneration programs defined below maintain a reasonable proportion to the relevance of the Company, its economic situation and the market standards of comparable companies and promote the Company's long-term profitability and sustainability. The remuneration policy also incorporates the necessary safeguards to avoid excessive risk-taking or rewarding unfavorable results, and to align the interest of the directors with those of the Company and its shareholders.

This Remuneration Policy, approved by the General Shareholders' Meeting in April 2022, was revised in 2023. The review of the Remuneration Policy has been carried out in order to update the description of the Company's long-term variable compensation plan, called the 2020 Long Term Incentive Plan (hereinafter “**LTIP 2020**”) ended in 2023, having been replaced by a new plan, the “Management Incentive Plan 2023 – 2025 (hereinafter “**MIP 2023-2025**”), which was approved by the Board, with the favourable report of the Appointments and Remunerations Committee, at its meeting held in writing without session on March 30, 2023.

Likewise, the references that existed in the Policy with regards to the Executive Director other than the Chief Executive Officer have been eliminated, since there is currently only

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one executive director, the Chief Executive Officer, due to the fact that the other director who held that position, Mr. Jorge Pepa, resigned in April 2022.

2. OBJECTIVES OF THE REMUNERATIONS POLICY

The Remunerations Policy is intended to define and control the remuneration programs of the Company relating to its directors in order to generate and increase the value of the Group for employees and shareholders, setting director remuneration in line with the size of the Group and establishing variable remuneration criteria aligned with the strategic business plan and the interests of the Group and measurable to adequately determine the degree of compliance.

In accordance with the above, the Remunerations Policy for the members of the Board of Directors seeks to establish an adequate remuneration scheme linked to the dedication and responsibilities assumed by the directors, and shall be applied to attract, retain and motivate the directors of Neinor. Also, the Remunerations Policy aims to encourage directors to meet the strategic objectives of Neinor, and its long-term sustainability, within the framework of its activity in accordance with current legislation.

3. GOVERNING PRINCIPLES AND CRITERIA OF THE REMUNERATIONS POLICY

In order to develop a good corporate governance framework, Neinor has considered appropriate to establish clear corporate governance principles to ensure that the remuneration strategy approved by the Board of Directors is implemented in accordance with the Company strategy, based on the principles of competitiveness and fairness, taking into consideration what is satisfied in the market in comparable companies by market capitalization.

In this respect, this Remunerations Policy shall be governed by the following principles:

3.1. Independent judgment

Remuneration shall be structured so that the independent judgment of non-executive directors is not compromised, with a special focus on the remuneration granted to independent directors.

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3.2. Attraction and retention of the best professionals

Through the Remunerations Policy, the Company aims to offer a competitive compensation that attracts and retains talent that contributes to the value creation for the Company.

3.3. Long-term sustainability

Remuneration shall be compatible with the Company's long-term business interests and strategy, as well as its values and goals, and shall include appropriate provisions to avoid conflicts of interest, excessive risk-taking and rewarding unfavourable results.

3.4. Transparency

The Remunerations Policy and the specific rules for the determination of the remuneration amounts shall be explicit and disclosed in advance.

3.5. Simplicity and individualization

The rules governing the management and determination of compensation shall be drafted clearly and concisely.

3.6. Fairness of compensation

Remuneration shall be consistent with the dedication, qualification, experience and responsibilities of each director and the functions and tasks performed by such director. Also, the remuneration paid by the Company shall maintain a balance between market competitiveness and internal fairness.

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.

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4. REMUNERATION OF THE DIRECTORS

In connection with the remuneration payable to the members of the Board of Directors in their capacity as such, i.e., for the performance of their supervisory and decision-making functions within the Board of Directors, is intended to compensate them adequately and sufficiently for their dedication, qualification and responsibility, without compromising their independent judgment.

To that effect, Neinor has adopted a Remunerations Policy whereby only independent and “other external” directors have the right to receive compensation for the performance of their supervisory and collective decision-making functions, i.e., as members of the Board of Directors.

In accordance with Article 34 of the Bylaws of the Company, directors shall, as a general rule, be remunerated. Any such remuneration shall consist of three items, namely: (a) annual fixed remuneration; (b) attendance fees; and (c) share-based compensation or remuneration linked to the evolution of the share price.

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 these purposes 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.

4.1. Maximum amount of annual remuneration for directors

During the fiscal years in which this Policy is in force, considering all possible remuneration items, the maximum annual remuneration of all the Company's Board

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Members, regardless of their category, may not exceed six million euros, excluding the long-term variable compensation plan (MIP 2023-2025) described below, and excluding payments made in respect of civil liability insurance premiums contracted by the Company for the Board Members.

This limit may be reviewed and modified if there are increases or decreases in the number of members of the Board of Directors of the Company, in order to maintain reasonable proportionality.

4.2. Annual fixed remuneration for the Directors as members of the Board

The Board of Directors shall establish the criteria in order to determine the remuneration payable to each director, taking into account:

- The category of the Director.
- The office held by the director in the Board of Directors and in any of its committees.
- The specific tasks and responsibilities assumed during the year.
- The experience and knowledge required to carry out those tasks.
- The amount of time and dedication required to carry out effectively such tasks.

Considering the above, only “independent” and “other external” directors shall be entitled to remuneration for their status as such. The individual amount to be received by independent and “other external” directors by way of fixed annual remuneration shall be as follows:

The remuneration received by all the directors as members of the Board, including the fixed remuneration of the Chairman of the Board of Directors, may in no case exceed 1,500,000 euros per year, not including payments for Civil Liability insurance premiums.

The maximum individual amount to be received by each of the aforementioned directors as fixed annual compensation is as follows:

- A maximum of EUR 150,000 for the Chairperson of the Board of Directors.
- A maximum of EUR 100,000 for each independent and “other external” directors.

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These amounts are payable on the basis of a full tax year. Where a director sits in the Board for less than a full tax year, the amount payable to such a director shall be prorated proportionally (on a 12/360 basis) taking into account the period in which the director held the position.

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 1,500,000 euros referred in this Section, then the Board of Directors may reduce the individual remuneration described in this section on a proportional basis.

In addition, Directors shall be entitled to receive meal allowances, for attending each meeting of the Board of Directors and of the Committees in the amount established by the Board, which shall be within the aforementioned maximum annual limit.

If the number of members of the Board of Directors were increased within the limits foreseen in the Company's by-laws, the fixed remuneration payable to any additional director shall be determined in accordance with the provisions above.

4.3. Variable remuneration of directors in their condition as such.

Non-executive directors might receive variable remuneration through the delivery of shares prior to the corresponding corporate transactions, provided that it is conditional upon them maintaining the shares until they cease to be directors, except for those shares that they need to trade with to meet the costs related to their acquisition.

5. REMUNERATION OF THE DIRECTORS FOR PERFORMING EXECUTIVE DUTIES

The Appointments and Remuneration Committee shall follow the principles outlined above when determining the remuneration mix for directors performing executive duties in the Company.

In accordance with the current composition of the Board of Directors, only the Chief Executive Officer (hereinafter "CEO") performs executive functions in the Company.

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5.1. Annual fixed remuneration

The fixed remuneration shall be determined on the basis of the responsibility, hierarchical position and experience of the CEO, bearing in mind the specific characteristics of his function and the dedication required and any market analysis reports prepared by independent consultants in the field, in order to establish a competitive base salary to attract and retain talent that may contribute to the value creation.

The CEO will be entitled to receive an amount not exceeding €900,000 as fixed annual remuneration.

For illustrative purposes, it is reported that for the 2023, the fixed remuneration of CEO will be 633.000 euros.

5.2. Variable remuneration

Taking into due consideration the compensation and employment conditions of the Company's employees, the CEO may benefit from the incentives with variable components that, in general, the Company recognizes for its senior executives. In addition, in justified cases, the Company may approve a discretionary incentive or bonus subject to the fulfilment of certain objectives for the benefit of the CEO, which may be paid in cash and/or include the delivery of shares or share-based instruments, provided that the legal requirements established for this purpose are met.

Variable remuneration is based on the principles of the Remuneration Policy described above and will therefore have specific, predetermined, quantifiable and measurable objectives assigned to it, linked to variables that are related to its performance and to financial and non-financial factors and are in line with the Company's strategy, promoting its sustainability and the Group's profitability in the long term. In this regard, variable remuneration will take into account the elements described in the following sections.

The contract entered into with the CEO will establish clawback clauses that force the director to repay the Company and empower the Company to claim the repayment of all or part of the variable remuneration in the event of the occurrence of any circumstance that results in the alteration or negative variation, on a definitive basis, of the financial statements, results, economic data, performance data or other data on which the accrual and payment to the CEO of any amount of variable remuneration was based.

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Currently, only the CEO receives the variable components of their compensation.

5.2.1. Annual variable remuneration (bonus plan)

The CEO may receive annual variable remuneration, in accordance with the provisions of his individual contract with the Company, as well as participate as beneficiaries in the variable remuneration plans (bonus) approved by the Company, as the case may be.

The annual variable remuneration of the CEO may in no case exceed 100% of the amount of the fixed remuneration.

The annual variable remuneration approved by the Company, as the case may be, may be paid in cash and/or include the delivery of shares or share-based instruments, provided that the corresponding threshold is reached in the indicators established with respect to what is foreseen in the business plan. 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 aligned with the Company's strategy, promote its sustainability and the Group's long-term profitability. These parameters could be such as:

- Financial performance parameters: level of compliance with general objectives linked to the Company's revenues, Ebitda/Margin, profitability (measured in cost efficiency), level of operational expenditures, delivery timing; as well as level of compliance with individual objectives that are associated with their status as executive director and that are not directly linked to the Company's overall results (such as, for example, development and/or execution of new projects for the Company).

- Non-financial performance parameters: such as those linked to the progress of the Group's Sustainability Plan, compliance with Corporate Governance, implementation of ESG improvements, measurement and offsetting 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 details of the financial and non-financial performance parameters set as objectives for each year will be approved at the beginning of the year by the Appointments and

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Remuneration Committee, recorded in the minutes, and published at the end of the year in the Annual Report on Directors' Remuneration.

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 Appointments and Remuneration Committee shall determine the extent to which the performance criteria have been met prior to the payment of variable remuneration and the criteria and methods for such verification shall be disclosed in the annual directors' remuneration report. Such determination shall take into account any qualifications, if any, contained in the external auditor's report.

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.

5.2.2. Long-term incentive plan (LTIP)

The CEO may participate as beneficiary in the long-term incentive plans implemented by the Company from time to time, upon a proposal by the Appointments and Remuneration Committee. In addition, plans for the delivery of shares must be submitted to the General Shareholders' Meeting for approval.

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The parameters for determining compliance with long-term incentive plans may include variables linked to the achievement of a combination of quantitative objectives (economic-financial, non-financial, operational and/or value creation) and specific, predetermined and quantifiable qualitative objectives, aligned with the Company's interest and strategy. The objectives may include metrics related to the Company's business, to the creation of shareholder value and to long-term sustainability.

The Appointments and Remuneration Committee is responsible for evaluating performance and determining compliance with the pre-established parameters, for which purpose it may rely on the collaboration of the Audit Committee and the advice of an independent expert. The proposal of the Appointments and Remuneration Committee shall be submitted to the Board of Directors for approval. In addition, the Appointments and Remuneration Committee shall have the power to propose to the Board of Directors the cancellation of the payment of the long-term incentive to the CEO, in whole or in part, in the event of certain supervening circumstances (reduction and recovery clauses).

The Company's long-term incentive plans shall consist of the payment in cash and/or the delivery free of charge of shares of the Company, subject to the fulfilment of certain objectives, the beneficiary's permanence in the Company and provided that the requirements set forth in the corresponding Regulations are met.

At the proposal of the Appointments and Remuneration Committee, which shall be submitted to the Board of Directors for approval, the plans may (i) provide that the CEO may not transfer the shares received under the plan for a period of 1 year as from the delivery of such shares, and/or (ii) be composed of one or more cycles of three years each, in which case the delivery of the shares may be carried out upon completion of each of the cycles or deferred in time and once the corresponding tax obligations have been fulfilled. These provisions may not be included in the plans approved by the Company.

In order to calculate the payment coefficient achieved, at the beginning of each cycle a scale of achievement will be determined for each of the metrics, which will include a minimum threshold (below which no incentive is paid) and a maximum level. The Company currently has the Management Incentive Plan 2023-2025 in place.

The Management Incentive Plan 2023-2025 (hereinafter the “**MIP 2023-2025**”) consists in the reception of an incentive payable in cash, after a certain period of time, provided

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that certain strategic objectives of the Company are met and provided that the requirements set forth in the Plan's Regulation are met. The MIP 2023-2025 contributes to the achievement of the objectives indicated in section 2 by aligning the interest of its beneficiaries with the sustained growth of the Group's results and the creation of value and shareholder remuneration.

The MIP 2023-2025 consists of a three one-year cycles. The first Plan cycle runs from January 1, 2023 to December 31, 2023. The Second Plan cycle runs from January 1, 2024 through December 31, 2024 and the third Plan cycle runs from January 1, 2025 through December 31, 2025. At the end of each achievement period, the incentive payable to each beneficiary will be calculated taking into account the level of achievement of certain previously approved metrics accordance with the following:

1. Incentive Determination / Metrics

1.1. Metrics

The Plan is conceived as a measurable system based on the achievement of the following KPIs: Total Shareholder Return (TSR) as "target" and Ebitda as "key":

- Total Shareholder Return comprises both ordinary and extraordinary dividends as well as cancellation of treasury stock.

The Total Shareholder Return (TSR) target is €450M over the 3 years 2023-2025. The distribution of the total amount of the Plan in each of the three years will be proportional to the dividend distributed each year.

Given that the TSR target for each year is much higher than that distributed so far, it will not be necessary to reach a minimum over the annual TSR target or over the cumulative TSR target for the Plan to accrue.

- Ebitda as a "key" with the following annual and cumulative targets for each of the 3 years:

Year	EBITDA Target	EBITDA Accumulated
2023	€135M	€135M
2024	€100M	€235M
2025	€100M	€335M

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A threshold of 85% of the cumulative annual target must be reached for the economic right assigned to each year to be accrued. Below 85%, there will be no accrual. Above 85%, the accrual will be proportional in the same percentage (e.g.: 90% achievement of Ebitda target, implies 90% accrual). Once 100% of the accumulated Ebitda target has been reached, 100% of the plan will accrue.

1.2. Plan Amount

- The total amount of the proposed Plan is 15 million Euros, with a cap of 17.5 million Euros, to be distributed among the six beneficiaries of the Plan.

The amount of this Plan represents 3.33% of the TSR target (450 million Euros). The amount will be distributed among the Plan's beneficiary executives according to the five levels defined as A, B, C, D and E, with different percentages assigned to each of these five levels in the organization.

The proposed percentage distribution of the total amount of 15 million Euros for the five levels is shown in Annex I of the Regulation. Of this amount, the percentage corresponding to the CEO is 21%.

1.3. Requirements for obtaining the Incentive.

- 1.3.1 The beneficiary shall lose his status as such and, consequently, his expectation of the right to receive the Incentive derived from the Plan if, prior to the end of each corresponding cycle (calendar year), he disengages from the Company, as a result of the following events:

- (a) Termination of the beneficiary's employment relationship as a consequence of a fair disciplinary dismissal.
- (b) Termination of the position of director due to the breach of his duties, the performance of any action or omission that causes damage to the Company, or the concurrence of the necessary conditions for Neinor Homes to be able to exercise the social action of liability against the beneficiary.
- (c) Voluntary Termination.

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Notwithstanding the foregoing, the beneficiary (or his successors in title) will maintain his expectation of the right to receive a proportional part of the Incentive in the following cases of termination of his relationship with Neinor Homes:

- (i) Extinction of the employment relationship recognized as unfair by the Company or firmly declared unfair by the corresponding competent jurisdictional or administrative body.
- (ii) Termination of the employment relationship for objective causes within the framework of an individual or collective dismissal.
- (iii) Termination of the senior management employment relationship due to withdrawal by the Company or pursuant to paragraphs a), b) and c) of Article 10.3 of Royal Decree 1382/1985, of August 1, 1985, which regulates the special employment relationship of senior management personnel.
- (iv) Termination of the commercial relationship by the Company or supervening loss of the status of Executive Director, without just cause. Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith in accordance with which the beneficiary must perform his duties in Neinor Homes, S.A. as well as any other serious and culpable breach of the obligations assumed by virtue of his contract.
- (v) Death, in which case, the Incentive will be received by the beneficiary's successors in title.
- (vi) Final declaration of permanent disability, in any of its degrees (total permanent disability for the usual profession, absolute disability for all work or great disability), of the beneficiary.
- (vii) Retirement.
- (viii) In case of termination by mutual agreement of the beneficiary's relationship with the Company, it shall be as agreed between the parties.

1.3.2 In the special cases in which the beneficiary (or, in the case indicated in section (v) above, his successors in title, or in the cases provided for in section (vi), where applicable, his legal representatives) may receive the Incentive despite the termination of his relationship with the Company referred to in sections (i) to (viii) above, the beneficiary (or, in the case indicated in section (v) above, his successors in title, or in the cases provided for in section (vi), where applicable, his legal

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representatives) shall be entitled to receive the Incentive despite having terminated his relationship with the Company referred to in sections (i) to (viii) above, shall be entitled to receive the Incentive on the date indicated in the Regulations, which shall be calculated as for the rest of the beneficiaries, on the Calculation Date of each cycle, although the Incentive shall be prorated according to the time effectively worked since the Start Date of the Measurement Period of the corresponding Cycle in accordance with the following formula: $\text{Plan} \times (\text{Incentive} / 365) \times T$ being "T" the number of calendar days elapsed from the beginning of the cycle in which it is until the day on which the event causing the application of the provisions contained in this clause occurred.

- 1.3.3 In the event of mobility to a position in the same professional group within the Company in which the beneficiary performs responsibilities at the same level prior to the Settlement Date of the Plan, the Initial Incentive granted to the beneficiary under the Plan shall remain unchanged.
- 1.3.4 In the event of forced leave of absence, the beneficiary shall receive the proportional part of the Incentive that, as the case may be, corresponds in accordance with section 1.3.1 above of this Clause relating to the cases of termination of the beneficiary's employment relationship with Neinor Homes.
- 1.3.5 If there is a suspension of the beneficiary's employment relationship with job reservation, as provided in Articles 45 (except in the cases included in letters c), d) and n) of its point 1, in which the beneficiary will maintain the Incentive that, if applicable, is consolidated) and 48 of Royal Legislative Decree 2/2015, of October 23, which approves the revised text of the Workers' Statute Law, the beneficiary shall receive the proportional part of the Incentive that, if applicable, corresponds in accordance with section 2 above of this Clause relating to the cases of termination of the beneficiary's employment relationship with Neinor Homes.
- 1.3.6 In the event of promotions or "demotions", the criteria established above shall apply, although the Board of Directors shall have the power to modify the Initial Target Incentive granted to the beneficiary under the Plan.

1.4. Incentive Settlement

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The effective settlement will take place after the approval of the annual accounts corresponding to the year in which each cycle ends and the approval of the proposal by the Board of the corresponding dividend for each year (i.e. 2024 for the first cycle, 2025 for the second cycle and 2026 for the last cycle).

The accrual of the Incentive will not be capped annually. The accrual in each of the three years will be calculated in proportion to the total dividends distributed in each year on the TSR for the 3 years (limited to €M 17.5 for the entire 3 years of accrual).

The Board must approve the TSR target and the Ebitda key for each of the years of the plan, all in accordance with the Strategic Plan 2023-2027, whose fulfilment will be a precondition for the accrual of the Incentive.

In the event of a takeover or change of control in the Company or in any of the Group companies, or a material event or transaction, the total amount of the program will be settled.

The Incentive, if any, that may be payable will be delivered as soon as possible after the transaction giving rise to the early settlement of the Plan.

1.5 Clawback: In the event of voluntary disengagement of an executive from the company before the third year (end of the plan), a penalty equivalent to 30% of the amount accrued and received up to that time (net of taxes) will be applied.

5.3. Main terms and conditions of the contracts of the executive directors

The remuneration, rights and compensation of economic content of the executive directors shall be determined in their respective contracts, always respecting the provisions of the Bylaws and this Policy.

The contracts of executive directors may have a fixed or indefinite term, and include their right to receive compensation for early termination in the event of termination of the employment relationship for reasons not attributable to them, which may not exceed two annual payments of their fixed remuneration.

In addition, the contracts entered into between the Company and the executive directors may provide for exclusivity, post-contractual non-competition and permanence or loyalty

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agreements, under the terms and within the limits established by law, and must establish a notice period of at least one month.

The remuneration of the post-contractual non-competition commitment may not exceed 70% of the fixed remuneration at the time of termination of the contract. Other payments for termination or extinction of the contract may not exceed an amount equivalent to two years of the total annual remuneration.

The Chief Executive Officer has entered into a contract with the Company, which will remain in force for as long as he remains Chief Executive Officer of the Company.

In relation to the foregoing, the service contract signed with the Company provides for the following:

- An agreed financial compensation for termination of the relationship, when applicable, equal to two annual payments of their fixed remuneration;
- That the provision of services by the CEO shall be carried out on an exclusive and full dedication basis;
- That, for a period of one year after the termination of the service contract signed with the Company, the CEO shall refrain from carrying out activities concurrent with those of the Company or any company of the Neinor Homes Group, either on his own account or on behalf of a competing company. In compensation for this non-competition commitment, the CEO shall receive compensation equal to 70% of his fixed remuneration in force at that time.

5.4. Remuneration in kind

The executive directors may benefit from compensation in kind that, in general, the Company recognizes for senior executives or other employees of the Company. In addition, the Company may grant executive directors certain benefits in kind, in accordance with market practices, and certain social benefits, such as medical insurance, contributions to pension plans, life insurance, permanent, total, absolute or invalidity disability, credit coupons, company car, relocation payments, among others.

In any case, the value of the remuneration components in kind, such as contributions to pension or retirement plans, company car, health insurance, among others, may not exceed 10% of the fixed remuneration.

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For illustrative purposes, it is reported that the current contract signed with the Chief Executive Officer establishes the right to the social welfare benefits indicated below:

- Medical assistance insurance;
- Life insurance, permanent total, absolute or severe disability insurance covering (i) a gross benefit in the form of a capital sum of 1,000,000 euros in the event of permanent total, absolute or severe disability and (ii) a gross benefit in the form of a capital sum of 1,000,000 euros in the event of death;
- Directors and officers insurance (D&O);
- Any other social welfare benefits generally recognized by the Company for the group of directors or executives, if so established by the Board of Directors, following a report from the Appointment and Remuneration Committee.

Appointment of new executive directors

The remuneration of new executive directors will be, as far as possible, in line with the Remuneration Policy of the current directors. At the time of their appointment, the fixed remuneration of new executive directors will be set taking into account market conditions and comparable positions and their level of experience. The new executive directors will be able to participate in the variable remuneration on the basis of the same principles as the current directors. The Board of Directors, subject to a report from the Appointment and Remuneration Committee, reserves the right to deviate from the established practice to the extent necessary to ensure the recruitment of suitable candidates, in the best interests of the Company and in accordance with this Policy.

6. GOVERNANCE MATTERS

6.1. Preparation, approval and review of this Remunerations Policy

The Board of Directors, acting upon a favourable report by the Appointments and Remuneration Committee, shall submit to the General Meeting a proposal for a Remunerations Policy in respect of directors at least every three years. This proposal shall be submitted as a separate item on the Agenda.

The report of the Appointments and Remuneration Committee shall be attached to the proposal of the Board of Directors.

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The proposed Remunerations Policy submitted by the Board of Directors and the report prepared by the Appointments and Remuneration Committee shall be available to shareholders on the Company's website as of the date of the notice of call for the General Meeting. Shareholders may also request that a copy be sent to them, free of charge. The notice shall make a reference to this right.

Any amendment or replacement of this Remuneration Policy during such period shall require prior approval by the General Meeting in accordance with the provisions herein.

If the proposal for a new remuneration policy is rejected by the general meeting of shareholders, the Company will continue to remunerate its directors in accordance with the remuneration policy in effect on the date of the general meeting and must submit a new remuneration policy proposal to the next ordinary general meeting of shareholders for approval. In addition, if the annual report on directors' remuneration is rejected in the advisory vote at the annual general meeting, the company may only continue to apply the remuneration policy in force at the date of the annual general meeting until the next annual general meeting.

The Appointments and Remuneration Committee shall periodically review the Policy and its manner of implementation when necessary or merely desirable, for example to perform a comparative analysis (benchmarking) of the remuneration systems applicable to comparable companies and, if necessary, propose appropriate revisions to the Board. The Board of Directors may decide, if the Appointments and Remuneration Committee so proposes, engaging an external expert to review the Remuneration Policy.

Likewise, said Committee may propose to the Board the application of temporary exceptions to the variable components of the remuneration of executive directors when this is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

6.2. Supervision and application of the Remunerations Policy

The Board of Directors is responsible for establishing a control and supervision regime in respect of the specific requirements set out in the Remuneration Policy, while the Appointments and Remuneration Committee is responsible for compliance and

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effectiveness of the referred policy, assisted by the Governance, Risk and Compliance Department and Internal Audit.

6.3. Term of the Remunerations Policy

The Remuneration Policy will be applicable from the same date on which it is approved by the Ordinary General Shareholders' Meeting for fiscal year 2022 scheduled to be held on April 13, 2022, and for the three fiscal years following, 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 the preceding sections.

In any case, this Remuneration Policy shall be understood without prejudice to:

- (i) the possibility that, from time to time, the Company may pay to a director a certain remuneration that is not provided for in this policy. Article 529.novodecies.5 of the Capital Companies Act provides for the possibility of the General Shareholders' Meeting expressly approving remuneration not provided for in the Remuneration Policy, provided that it is preceded by the corresponding proposal from the Board of Directors, which in turn must be supported by an explanatory and justifying report from the Appointments and Remuneration Committee; and
- (ii) if applicable, the amounts that a director may additionally be entitled to receive as other fees or salaries as a result of an employment relationship with the Company or the provision of professional services other than the executive functions of directors with such category.

Finally, it is noted that certain issues of the previous remuneration policies of Neinor Homes' directors are still being implemented and will continue to produce effects in the future. Specially, the CEO participates in the 2020 LTIP approved by the Board of Directors on February 28, 2020, pursuant to a favourable report from the Appointments and Remuneration Committee, and by the General Shareholders' Meeting held on April 1, 2020, in accordance with the provisions of Article 219 of the Capital Companies Act. In this regard, in accordance with the terms and conditions of the 2020 LTIP, (i) in fiscal year 2023 the transfer to the CEO of the first block of shares under the 2020 LTIP has become effective; and (ii) in fiscal years 2024 and 2025 the remaining two blocks of

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shares will be transferred to the CEO. The main terms and conditions of the 2020 LTIP are set out in the Annual Directors' Remuneration Reports for fiscal years 2020, 2021, 2022 and 2023, which are published by the CNMV and are also available on Neinor Homes' corporate website.

7. EXPLANATION OF SIGNIFICANT CHANGES

As mentioned in the introduction, this Policy includes the necessary changes to adapt it to the requirements of the new article 529 novodecies of the Capital Companies Act. Likewise, the considerations of the Proxy Advisors have been taken into account, which have led to adjustments in the greater detail of the remuneration of the directors, particularly the executive directors.

It is also noted that this Policy, approved by the General Shareholders' Meeting in April 2022, has been revised in 2023. The revision of the Remuneration Policy has been carried out in order to (i) update the description of the Company's long-term variable remuneration plan, since the plan contained in the previous Policy, the LTIP 2020, ended in 2023, having been replaced by the MIP 2023-2025 which was approved by the Board, with the favourable report of the Appointments and Remuneration Committee, at its meeting held in writing on March 30, 2023 and (ii) to eliminate the references that existed in the Policy to the Executive Director other than the CEO, since there is currently only one executive director, the Chief Executive Officer, as the other director who held that position, Mr. Jorge Pepa, resigned in April 2022.

The Annual Directors' Remuneration Report has been approved in past Shareholders' Meetings with a large majority, hence, it has not been considered appropriate to make structural changes in the Remuneration Policy.

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