



February 2024

# Annual Report 2023: Conflict of Interest and Related Party Transactions



**Neinor**  
H O M E S

Neinor Homes, SA.; Governance, Risk and Compliance, Internal Audit & ESG  
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## Neinor Homes Conflict of Interest and Related Party Transactions

As established in the Spanish Companies Act<sup>1</sup> and in the internal regulations<sup>2</sup> of Neinor Homes, the Audit and Control Committee must analyze, among other matters, transactions with related parties carried out by Neinor Homes, in order to submit them to the Board of Directors for approval. Some of them, due to their materiality and at the discretion of the ACC and the Head of GRC, have been requested and have been submitted for approval together with the corresponding ad hoc report on them.

It should be noted that this year we have updated our Policy on conflict of interest and related party transactions to incorporate the procedure to be followed in co-investment transactions with certain significant shareholders or Directors, and the approval of transactions by email (for reasons of urgency and on an exceptional basis).

By way of summary, the policy establishes that the AGM must approve transactions whose amount is equal to or exceeds 10% of the total asset items. The rest must be approved by the Board of Directors, which may delegate to the GRC Direction the approval of intercompany transactions and transactions whose amount does not exceed 0.5% of the net amount of the Company's turnover, which will be reported to the Board on an annual basis.

As regards the approval procedure, when a possible transaction with related parties becomes known, the GRC Direction must be informed and will review it and if it considers it to be so, the responsible party must prepare a report addressed to GRC which, after analyzing and reviewing the transaction, will prepare a report and proceed to approve the transaction (if delegated) or will submit it to the Audit and Control Committee for approval and presentation to the Board of Directors.

### Model background

- The **Standard of conflict of interest and related party transactions** was approved by the Board of Directors on July 15, 2015, and was last modified on May 24, 2023. It is published on the corporate website.
- The **procedure** works as follows:
  - **Continuous communication channel** for related party transactions and conflict of interest.
  - **Every transaction reported is analyzed, recorded and documented** and either approved or denied by GRC Direction.
  - **The approval is shared with the one concerned** through a written authorization.
  - **Denied transactions with a material fee or those that requires a final decision are submitted to the Audit and Control Committee** with an executive report of the transaction.
  - **Records with all the Conflicts of Interests and Related Party Transactions are kept** by the Governance, Risk and Compliance Direction.
  - The **Audit and Control Committee is informed annually** of conflicts of interest and related party transactions.
  - **Annually a letter is sent to the Board Members for them to sign** to confirm that they have not been exposed to any conflict of interest nor have participated or have knowledge of any related party transactions.
  - **Analysis of the invoicing received or carried out with companies related** to the board of directors or the management directors.
  - **Training for all Group employees** on conflicts of interest and related parties, included in the mandatory annual Ethics, Compliance and Sustainability training.

### Annual Report 2023

#### ❖ Transactions carried out during 2023

- a

**7 transactions of asset purchasing by Neinor employees or related parties to Neinor employees or staff**

Checked sale price is adequate with market price, not below business plan. ERP prices unaltered, nor any discount applied over recorded prices. The queue order for the sale has been respected by the company's sales force. **Authorized transaction, analyzed and recorded by GRC Area. \***

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- b

**3 transactions of asset purchasing by companies or employees of companies related to Neinor Homes**

Checked sale price is adequate with market price, not below business plan. ERP prices unaltered, nor any discount applied over recorded prices. The queue order for the sale has been respected by the company's sales force. **Authorized transaction, analyzed and recorded by GRC Area. \***

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- c

**1 transaction of asset purchasing by the external sales force or by related parties to the external sales force of Neinor Homes**

Checked sale price is adequate with market price. ERP prices unaltered, nor any discount applied over recorded prices. The queue order for the sale has been respected by the company's sales force. **Authorized transaction, analyzed and recorded by GRC Area. Training on the related party policy is provided to the entire sales force on an annual basis. \***

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- d

**Transactions related to shareholders/advisors/managers**

- **Restablo Inversiones S.L.** received a payment for intermediation fees for the acquisition of land in Alovera (Guadalajara), corresponding to 4% of the sale price of the land (9 million euros).
  - **Ablanquejo S.L.** received an advance payment of the variable remuneration for 2023 agreed with Neinor Homes in the Quabit merger transaction.
  - **Global Compludo S.L.** tendered for the refurbishment of a student residence in Tres Cantos (Madrid), for which Quabit Construcción submitted a bid with a budget of 9.86 million euros and was awarded the contract.
  - **Orion V European 24 S.a R.I.** and Neinor Homes S.A. have created the company Pegasus Holdco S.L. (90% and 10% owned respectively) to develop build-to-sell developments, with equity of 50 million euros contributed by both companies.

**All of them analyzed and recorded by GRC Area, with their respective report prepared by GRC and approved by the Audit and Control Committee.**

**For more information on the details of the transactions, see next slide.**

<sup>1</sup> The regulation referred to is Article 529 ter and Article 529 quaterdecies of Royal Legislative Decree 1/2010, of July 2nd, approving the consolidated text of the Spanish Companies Act.

<sup>2</sup> The internal regulations referred to are Regulations of the Board of Directors (Article 5.4.xvi), Audit and Control Committee Charter (Article 10.c) and Standard of Conflict of Interest and Related Party Transactions.

\* To correctly manage the interest of the related persons referred to in points A, B and C, a protocol has been established according to which they are included in the lists of interested parties of the developments in a 10 to 1 ratio and have the sole advantage of the choice of housing, always respecting the queuing order of the external interested parties and the sale price.

## Neinor Homes Conflict of Interest and Related Party Transactions. Details of 2023

*(Transactions carried out during 2023)*

**a**  
7 transactions of asset purchasing by **Neinor employees or related parties to Neinor employees or staff**

Two purchase transactions in Selene Homes (Málaga) performed by an employee and a related party to a Territorial Director of Neinor Homes, four purchase transactions in Panoramic Homes (Madrid) performed by employees and a related party to a General Manager of Neinor Homes, and one purchase transaction in Almogavar Homes (Málaga) performed by an employee, with sale prices between €4,000 (storage room) and €476,000.

It was checked that the prices were the same as those of the sales rate loaded in the ERP, with no discounts or commissions. The GRC Area approved the transactions.

**b**  
3 transactions of asset purchasing by **companies or employees of companies related to Neinor Homes**

One purchase transaction in Serena Homes (Málaga), one purchase transaction in Las Rozas Homes (Madrid) and one purchase transaction in Panoramic Homes (Madrid), the first one performed by a company related to Neinor Homes and the other two performed by employees of companies related to Neinor Homes, with sale prices between €180,000 and €533,000.

It was checked that the prices were the same as those of the sales rate loaded in the ERP, with no discounts or commissions. The GRC Area approved the transactions.

**c**  
1 transaction of asset purchasing by the **external sale force or by the related parties of external sales force company of Neinor Homes**

One purchasing transaction performed by external sale force:

- A Real Estate Agent interested on purchasing an asset in Connecta Homes (Málaga).

It was checked that the purchase price was adequate and that ERP prices had not been modified nor any discount applied over recorded prices. GRC Area has approved the transaction.

**d**  
**Transactions related to shareholders / advisors / managers**

We are referring to our relationship and businesses with different companies related to shareholder/advisors/managers that can create a potential conflict of interest:

- **Restablo Inversiones S.L.**, a company related to the Senior Advisor, received a payment for intermediation fees for the acquisition of land in Alovera (Guadalajara), corresponding to 4% of the sale price of the land (9 million euros, which was at market price).
- **Ablanquejo S.L.**, a company related to the Senior Advisor, received an advance payment of the variable remuneration for 2023 agreed with Neinor Homes in the Quabit merger transaction. The advance payment was 760 thousand euros, which will have to be verified and supported after the closing of accounts.
- **Global Compludo S.L.**, a company related to Grupo Domo and Stoneshield Investments S.L., tendered for the refurbishment of a student residence in Tres Cantos (Madrid), for which Quabit Construcción submitted a bid with a budget of 9.86 million euros and was awarded the contract.
- **Orion V European 24 S.a R.I.** and Neinor Homes S.A. have created the company Pegasus Holdco S.L. (90% and 10% owned respectively) to develop build-to-sell developments, with equity of 50 million euros contributed by both companies.

The GRC Area verified the documentation and information on all transactions and analysed their appropriateness. All of this was reflected in the reports that were submitted to the ACC, which, after reviewing them and requesting additional information, approved the transactions and forwarded them to the Board for approval.

### Final assessment 2023

- ✓ **No conflicts of interest nor related party transactions** have materialized.
- ✓ **No major risks** regarding conflicts of interests and related party transactions within Neinor Group.
- ✓ **No transactions** have been submitted to the Audit and Control Committee for approval.