

**REASONED PROPOSAL OF THE BOARD OF DIRECTORS OF NEINOR
HOMES, S.A. REGARDING THE AMENDING OF THE COMPANY
REMUNERATION POLICY, INCLUDED IN ITEM FIFTEEN OF THE AGENDA
OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD
ON MARCH 31, 2020 AND APRIL 1, AS THE FIRST AND SECOND MEETINGS
RESPECTIVELY**

1. INTRODUCTION

Under article 529 novodecies of the consolidated text Spanish Companies Act, enacted by Royal Legislative Decree 1/2010, of 2 July (“**Spanish Companies Act**”) the Board of Directors of Neinor Homes, S.A. (“**Neinor**” or “**Company**”), based on a report from the Appointments and Remuneration Committee, prepared and approved this reasoned proposal for approving the Remuneration Policy of the Company, which will be submitted for approval at the General Shareholders’ Meeting that will possibly take place on April 1, 2020.

2. REASON FOR THE PROPOSAL

As a consequence of the end of the term of the Remuneration Policy in 2019, the Appointments and Remuneration Committee has carried out a review of such policy from a global perspective and in a rigorous manner. The objective of the review process has been to submit for approval to the General Shareholders’ Meeting, a Remuneration Policy that seeks to continue the Company’s remuneration policy in force in the previous years and, therefore, it maintains to a large extent the previous wording, except for (i) including a new Long-Term Incentive Plan and (ii) the modification of certain conditions of the contracts of the executive directors.

This Remuneration Policy will substitute and replace the text that up to this moment has been in effect, as set out in the latest Annual Remuneration Report and submitted to consultative vote by the General Shareholders’ Meeting.

3. IN-FORCE PERIOD

Under article 529 novodecies of the Spanish Companies Act, the Remuneration Policy will be applicable during the financial years 2020, 2021, and 2022, except if the Company's General Shareholders' Meeting agrees to its amendment or substitution during this period.

4. CONCLUSIONS

The Board of Directors of the Company considers that the remuneration for the members set out in this Remuneration Policy, has a reasonable proportion of importance of the Company, its current financial situation, and the market standards of comparable companies. Likewise, the remuneration system is oriented toward promoting the growth, profitability, and long-term sustainability of the Company, and includes the necessary precautions for avoiding the excessive assumption of risks and remuneration for unfavorable results.

Madrid, 26 February 2020