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**REPORT ISSUED BY THE BOARD OF DIRECTORS OF NEINOR HOMES, S.A.,
ON THE RATIFICATION AND RE-ELECTION OF DIRECTORS OF THE
COMPANY, INCLUDED IN ITEMS SIX TO TWELVE OF THE AGENDA OF
THE ORDINARY GENERAL MEETING SCHEDULED FOR APRIL 1, 2020 AND
APRIL 2, 2020, AT FIRST AND SECOND CALL, RESPECTIVELY**

1. INTRODUCTION

This report is being issued by the Company's Board of Neinor Homes, S.A. (hereinafter, the "**Company**") pursuant to section 5, Article 529 *decies* of the consolidated version of the Spanish Companies Law, passed by Royal Legislative Decree 1/2010, of 2 July (the "**Spanish Companies Law**"), seeking to explain the proposals of ratification and re-election of directors of the Company that is submitted for approval by the Company's General Shareholders Meeting, scheduled for April 1, 2020 and April 2, 2020, at first and second call, respectively, under item Six of the agenda.

In accordance with the provisions of said article, the appointment, re-election or ratification of any members of the Board of Directors corresponds (i) with regards to independent directors to the Appointments and Remuneration Committee, proposal that should include an explanatory report from the Board of Directors, and (ii) with regards any other director, to the Board of Directors, following a favorable report of the Appointments and Remuneration Committee.

As a consequence of the above, this report includes a separate evaluation on the competence, experience and merit of (i) Ms. Anna M. Birulés Bertran, (ii) Mr. Ricardo Martí Fluxá; (iii) Mr. Felipe Morenés Botín-Sanz de Sautuola, (iv) Mr. Alfonso Rodés Vilà, (v) Mr. Borja Garcia-Egotxeaga Vergara, (vi) Mr. Aref H. Lahham, and (vii) Mr. Van J. Stults; proposals that have been either raised (with regards to the independent directors), or favorable informed (with regards to other directors) by the Appointments and Remuneration Committee at the meeting held on February [●], 2020, in compliance with sections 4 and 6 of Article 529 *decies* of the Spanish Companies Law.

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The proposal submitted by the Appointments and Remuneration Committee, referred to, is attached as an **Annex** hereto.

For the purposes of Article 518.e) of the Spanish Companies Law, it is also hereby stated that this report contains full details of each of the proposed candidates' identity, c.v. and current category.

Consequently, the Company's Board of Directors is hereby issuing this report on the appointment and presents its evaluation on the competence, experience and merit of: (i) Ms. Anna M. Birulés Bertran, (ii) Mr. Ricardo Martí Fluxá; (iii) Mr. Felipe Morenés Botín-Sanz de Sautuola, (iv) Mr. Alfonso Rodés Vilà, (v) Mr. Borja Garcia-Egotxeaga Vergara, (vi) Mr. Aref H. Lahham, and (vii) Mr. Van J. Stults; either as a result of the proposal submitted by the Appointments and Remuneration Committee (**Annex I**) or following a favorable report of the Appointments and Remuneration Committee (**Annex II**).

2. JUSTIFICATION OF THE REPORT

2.1 Ms. Anna M. Birulés Bertran

2.1.1 Professional and biographical profile

Ms. Birulés is an Independent Advisor, Coordinating Advisor and President of the Compliance and Audit Committee and a member of the Executive and Investment Committee of the Pelayo Group, Mutua de Seguros y Reaseguros a Prima Fija. Moreover, she is an Independent Advisor, President of the Audit and Risk Committee and a member of the Appointment and Remunerations Committee of Banco Mediolanum, as well as Independent Advisor at IDOM, Consulting, Engineering, Architecture, S.A.U. She is also a member of several Advisory Boards. She is former Minister of Science and Technology of the Spanish Government and Former General Secretary of Banco Sabadell. She began her professional activity in the Department of Industry and Energy of the Generalitat of Catalonia, eventually becoming General Director of the Information and Business Development Center (CIDEM) and President of the Consortium for the Commercial Promotion of Catalonia (COPCA). She was CEO of Retevisión (now part of Grupo Abertis and of Vodafone Group), from which she led the expansion process of the telecommunications operator through its subsidiaries. She has a Ph.D. in Economic Sciences and is member of the Circle of Entrepreneurs and the

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Business Circle Board. She is closely related to the leading Business Schools IESE, of which she chairs Finaves, the international center to fostering initiatives through seed capital, and Esade, of which she is member of its Professional Advisory Board.

Currently she is the coordinator director, Chairman of the Audit and Control Committee of Neinor Homes and member of the Appointments and Remuneration Committee.

2.1.2 Justification

Pursuant to the Directors Selection Policy, the Board of Directors hereby undersigns and accepts all the conclusions reached by the Appointments and Remuneration Committee. Likewise, the Committee considers that Ms. Anna M. Birulés Bertran track record and c.v., as well as the services provide in the Company since her appointment, confirm that she has the necessary competence and merit to be re-elected as director.

2.1.3 Category

Ms. Anna M. Birulés Bertran will not represent any shareholder on the Board of Directors or will be entrusted with executive duties. Consequently, pursuant to the provisions of applicable regulations, Ms. Anna M. Birulés Bertran will enjoy status as an independent external director.

2.2 Mr. Ricardo Martí Fluxá

2.2.1 Professional and biographical profile

Mr. Martí Fluxa is the Chairman of the Spanish Association of Real Estate Consulting Companies (ACI) and Director at Liteyca y Bodesa, S.A.U. Mr. Fluxa was Secretary of State for Security from 1996 to 2000. As a member of the Spanish diplomatic career, Mr. Martí Fluxá served in different positions until he was finally appointed Chief of Activities and Protocol of His Majesty The King of Spain. Within the private sector, he was President at Industria de Turbo Propulsores, S.A. (ITTP), President at Marco Polo Investments, CEO at Grupo Tomás Pascual, Member of the Advisory Board at the investment bank Arcano Capital, Director at Ibersecurities, Member of the Board at the technology firm IKUSI and a Member of the Executive Committee and Chairman of the Staff and Remuneration Committee at Caja de Ahorros y Monte de Piedad de Navarra. Currently, he is the President

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of the Board at Reina Sofía Art Center Museum, Secretary of the Spanish Royal Academy of Language Studies Foundation, Trustee of The Prado Museum Friends Foundation, Chairman at the Tomás Pascual Institute for Nutrition and Health and President of the Ankaria Foundation.

He is President of the Board of Directors since the 8th March 2017.

2.2.2 Justification

Pursuant to the Directors Selection Policy, the Board of Directors hereby undersigns and accepts all the conclusions reached by the Appointments and Remuneration Committee. Likewise, the Committee considers that Mr. Ricardo Martí Fluxá track record and c.v., as well as the services provide in the Company since his appointment, confirm that he has the necessary competence and merit to be re-elected as director.

2.2.3 Category

Mr. Ricardo Martí Fluxá will not represent any shareholder on the Board of Directors or will be entrusted with executive duties. Consequently, pursuant to the provisions of applicable regulations, Mr. Ricardo Martí Fluxá will enjoy status as an independent external director.

2.3 Mr. Felipe Morenés Botín-Sanz de Sautuola

2.3.1 Professional and biographical profile

Mr. Felipe Morenés Botín-Sanz de Sautuola is currently a founding partner at Stoneshield Capital. Previously, he was director for Lone Star Spain Acquisitions S.L.U., an affiliate of the General Partner of Lone Star, whereby he focused on the analysis and underwriting of European investment opportunities. At Lone Star he was responsible for underwriting, structuring and monitoring of various European Commercial Real Estate equity and debt investments. Prior to joining Lone Star in 2013, Mr. Morenes served for 5 years as a UK M&A Associate Director at UBS Investment Bank and in the same role at the Credit Structuring Desk within UBS's Fixed Income group in London. During his time at UBS he advised in M&A and capital raising transactions and structured financings for clients including banks and hedge funds. Mr. Morenés holds a Bachelor's Degree in Political Economy from Georgetown University.

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He is currently a member of the Audit and Control Committee, Appointment and Remunerations Committee and of the Land Investment Committee of Neinor Homes.

2.3.2 Justification

Pursuant to the Directors Selection Policy, the Board of Directors hereby undersigns and accepts all the conclusions reached by the Appointments and Remuneration Committee. Likewise, the Committee considers that Mr. Felipe Morenés Botín-Sanz de Sautuola track record and c.v., as well as the services provide in the Company since his appointment, confirm that he has the necessary competence and merit to be re-elected as director.

2.3.3 Category

Mr. Felipe Morenés Botín-Sanz de Sautuola will not represent any shareholder on the Board of Directors or will be entrusted with executive duties. Consequently, pursuant to the provisions of applicable regulations, Mr. Felipe Morenés Botín-Sanz de Sautuola will enjoy status as an independent external director.

2.4 Mr. Alfonso Rodés Vilà

2.4.1 Professional and biographical profile

Mr. Rodés is the President of Havas Group Media, President of Havas Group Spain and Deputy CEO at Havas S.A., a multinational media company which is part of the Vivendi Group and has over EUR 4bn of market capitalization. Previously, Mr. Rodés was CEO of Media Planning Group (“MPG”). MPG was a company controlled by the Rodés family that merged with Havas in 2001. Mr. Rodés joined MPG in 1996 as Head of Corporate Development after a period in private banking. Mr. Rodés has been Executive Director at Havas S.A. since 19th June of 2012. Additionally, he participates in other investment vehicles controlled by the Rodés family.

He is currently a member of the Appointments and Remuneration Committee and of the Audit and Control Committee of Neinor Homes.

2.4.2 Justification

Pursuant to the Directors Selection Policy, the Board of Directors hereby undersigns and accepts all the conclusions reached by the Appointments and Remuneration Committee.

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Likewise, the Committee considers that Mr. Alfonso Rodés Vilà track record and c.v., as well as the services provide in the Company since his appointment, confirm that he has the necessary competence and merit to be re-elected as director.

2.4.3 Category

Mr. Alfonso Rodés Vilà will not represent any shareholder on the Board of Directors or will be entrusted with executive duties. Consequently, pursuant to the provisions of applicable regulations, Mr. Alfonso Rodés Vilà will enjoy status as an independent external director.

2.5 Mr. Borja Garcia-Egotxeaga Vergara

2.5.1 Professional and biographical profile

Mr. Borja Garcia-Egotxeaga Vergara has extensive experience in the field of residential development, project management in real estate and industrial sector and strategic business planning. In June 2016 he joined Neinor Homes as Technical Director of the Northern area, from the developer company Construcciones Gerrikabeitia where he spent 13 years in technical management and construction of group developments, urban management, land acquisition and sale, planning and general business supervision. Previously during his first professional stage for a period of 10 years he was linked to the industrial world in the company Befesa Zinc part of Abengoa Group, where he led the continuous improvement of processes and the environmental situation of the company as Deputy Production and Technical Director, also being responsible for external relations, various management systems and benchmarking with other group factories distributed throughout Europe. He has also been member of the board of directors of companies such as Abengoa, Sondika Zinc and Zindes and collaborator of Aclima and Eurometaux based in Brussels. After graduating from a High School in the USA, Borja studied Industrial Engineering at the Higher School of Industrial Engineers of Bilbao and holds a master's degree in Business Administration INSIDE from the University of Deusto.

Borja is a member of the Board of Directors with the position of CEO since April 8, 2019; and member of the Land Investment Committee.

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2.5.2 Justification

As a result of the vacancy produced at the Board of Directors after the resignation of Mr. Juan Velayos Lluís, the Appointments and Remuneration Committee concluded that it was necessary to appoint a new director to fill the vacancy; appointment that was approved by the Board of Directors and it is submitted for ratification to the General Shareholders' Meeting.

The Board endorses the assessment made by the Appointments and Remuneration Committee and believes that Mr. Borja Garcia-Egotxeaga Vergara track record and c.v., as well as the services provide in the Company since his appointment, confirm that he has the necessary competence and merit to be appointed as director.

2.5.3 Category

Since his appointment, Mr. Borja Garcia-Egotxeaga Vergara has carried out and will continue to carry out managerial functions at the Company, as a result of being designated as a chief executive officer. Consequently, pursuant to the provisions of applicable regulations, Mr. Borja Garcia-Egotxeaga Vergara will enjoy status as an executive director.

2.6 Mr. Aref H. Lahham

2.6.1 Professional and biographical profile

Mr. Aref H. Lahham is a Managing Director and a Founding Partner of Orion Capital Managers and serves on the Firm's Investment Committee. He is located in Orion's London office and acts as Orion's Chief Executive and Chief Investment Officer setting the strategies and leading the Orion acquisition team and investment activities, as well as directing asset management activities on a significant number of Orion investments. Mr. Lahham has 32 years of real estate investment and development experience in the United States and Europe. Prior to forming Orion in 1999, he was a Managing Director with LaSalle Partners, which he joined in 1992 and headed its French operations and investment activities. Prior to working for LaSalle Partners, Mr. Lahham was a Project Manager for SEGECE (a subsidiary of BNP group), a French shopping center developer based in Paris. Prior to that, Mr. Lahham was an International Project Manager and Design Engineer in New York with consulting structural engineers Leslie E. Robertson Associates. He was also previously a Member of the Board and Strategic Committee of the French listed real estate company, Société Foncière

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Lyonnaise. Mr. Lahham has a BSc in Civil Engineering from Purdue University, a Masters of Engineering in Civil Engineering from Cornell University where he serves on the Council of the School of Engineering, and an MBA from INSEAD.

Currently he is the Chairman of the Land Investment Committee of Neinor Homes since 12nd December 2019.

2.6.2 Justification

As a result of the vacancy produced at the Board of Directors after the resignation of Mr. Juan José Pepa, the Appointments and Remuneration Committee concluded that it was necessary to appoint a new director to fill the vacancy; appointment that was approved by the Board of Directors and it is submitted for ratification to the General Shareholders' Meeting.

The Board endorses the assessment made by the Appointments and Remuneration Committee and believes that Mr. Aref H. Lahham track record and c.v., as well as the services provide in the Company since his appointment, confirm that he has the necessary competence and merit to be appointed as director.

2.6.3 Category

Mr. Aref H. Lahham represents the stake held by Pyxis V Lux S.á.r.l., entity indirectly totally controlled by Orion European Real Estate Fund V S.L.P. Consequently, pursuant to the provisions of applicable regulations, Mr. Aref H. Lahham will enjoy status as an proprietary director.

2.7 Mr. Van J. Stults

2.7.1 Professional and biographical profile

Mr. Van J. Stults is a Managing Director and a Founding Partner of Orion Capital Managers and serves on the Firm's Investment Committee. Mr. Stults has 40 years of real estate investment management experience. Prior to forming Orion in 1999, Mr. Stults was a member of the Board of Directors of LaSalle Partners (now "JLL"), a Managing Director, a member of the Operating Committee and head of European investment activities. Mr. Stults joined LaSalle Partners in 1984. Prior to LaSalle Partners, he was the Assistant Treasurer of Lane Industries, a private family owned U.S. conglomerate, and prior to Lane Industries, he

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was a Commercial Banking Officer at the First National Bank of Chicago. Mr. Stults is a member of the Pension Real Estate Association and is a Global Governing Trustee of the Urban Land Institute. Mr. Stults holds a BS degree in economics from Claremont McKenna College and MBA in finance and accounting from the University of Chicago Booth School of Business.

Also he is currently member of the Boards of Appointment and Remunerations Committee, Land Investment, and Audit and Control Committee of Neinor Homes.

2.7.2 Justification

As a result of the vacancy produced at the Board of Directors after the resignation of Mr. Francis Btsh, the Appointments and Remuneration Committee concluded that it was necessary to appoint a new director to fill the vacancy; appointment that was approved by the Board of Directors and it is submitted for ratification to the General Shareholders' Meeting.

The Board endorses the assessment made by the Appointments and Remuneration Committee and believes that Mr. Van J. Stults track record and c.v., as well as the services provide in the Company since his appointment, confirm that he has the necessary competence and merit to be appointed as director.

2.7.3 Category

Mr. Van J. Stults represents the stake held by Pyxis V Lux S.á.r.l., entity indirectly totally controlled by Orion European Real Estate Fund V S.L.P. Consequently, pursuant to the provisions of applicable regulations, Mr. Van J. Stults will enjoy status as an proprietary director.

3. CONCLUSIONS

The Board of Directors, in light of the foregoing:

- a) considers justified and appropriate the proposal submitted by the Appointments and Remuneration Committee for the ratification and re-election for the three-year term foreseen in the Articles of Association of (i) Ms. Anna M. Birulés Bertran, (ii) Mr. Ricardo Martí Fluxá; (iii) Mr. Felipe Morenés Botín-Sanz de Sautuola, and (iv) Mr. Alfonso Rodés Vilà,; all as independent directors of the Company.

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- b) considers justified and appropriate the favorable report submitted by the Appointments and Remuneration Committee for the ratification and re-election for the three-year term foreseen in the Articles of Association of (i) Mr. Borja Garcia-Egotxeaga Vergara, as executive director, and as proprietary directors of (ii) Mr. Aref H. Lahham, and (iii) Mr. Van J. Stults.



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ANNEX I

**PROPOSAL MADE BY THE APPOINTMENTS AND REMUNERATION
COMMITTEE OF NEINOR HOMES, S.A.**



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ANNEX II

FAVORABLE REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF NEINOR HOMES, S.A.