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*This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.*



**AUDIT AND CONTROL COMMITTEE REPORT ON THE DEGREE OF  
COMPLIANCE WITH THE INTERNAL CODE OF CONDUCT IN THE  
SECURITIES MARKETS  
OF  
NEINOR HOMES S.A.**

Madrid, 24th of february 2021

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## 1. INTRODUCTION AND PURPOSE

On 6 March 2017 the Board of Directors of Neinor Homes, S.A. (“**Neinor**” or the “**Company**”) approved Neinor’s Internal Code of Conduct in the Securities Markets (the “**Regulation**”) in accordance with the mandate established by Article 225.2 of the consolidated Spanish Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October, which requires that such Regulation be submitted to the Spanish National Securities Market Commission (“**CNMV**”) together with assurances that its contents are known to, understood and acknowledged by all persons subject to the regulation, and that it will be updated as and when expedient. This regulation was updated on July 24, 2019 and has been complemented with the General Economic-Financial and Corporate Communication Policy of May 17, 2020.

In accordance with Article 10 of the Regulation of the Board of Directors of Neinor, the Audit and Control Committee is charged, among other duties, with verifying compliance with the regulation. Accordingly, the Audit and Control Committee has prepared this report pursuant to article 10 of the Regulation to give an account of the measures adopted to ensure effective compliance by the Company with the provisions of the Regulation, compliance levels, incidents occurring, and investigations opened, where appropriate, during the period between 1 January and 31 December 2020.

## 2. IMPLEMENTATION OF THE REGULATION

The Regulation has been submitted to the CNMV and has been published on the Company’s website, where it is available at <https://www.neinorhomes.com/responsible-business-and-innovation/compliance/internal-code-of-conduct-in-the-securities-markets/>

A copy of the Regulation has been delivered to all Subject Persons (as defined in the Regulation), who have returned representations expressly acknowledging the rules set out therein and undertaking to comply therewith. The Persons subject to the Regulation are identified as follows:

- **Persons discharging management responsibilities** within the meaning of Article 3(25) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, comprising:
  - **Members of the Board of Directors:** Ricardo Martí Fluxá, Borja García-Egotxeaga Vergara, Aref H. Lahham, Anna M. Birulés Bertran, Van J. Stults, Alfonso Rodés Vilà, Felipe Morenés Botín-Sanz de Sautuola, Andreas Segal, Jorge Pepa, and Silvia López Jiménez (Non-director Secretary).
  - **Senior Executives:** Mikel Etxebarria Dobarán, Julio Egusquiza González-Gil, Jordi Argemi García, Gabriel Sánchez Casinello, Mario Lapiedra Vivanco, Fernando Hernanz De Dueñas and Álvaro Conde Herranz.

- **Other Subject Persons:** other persons with access to inside information.

### **3. MEASURES ADOPTED TO ENSURE COMPLIANCE WITH THE REGULATION**

In accordance with the Regulation, the Audit and Control Committee and the Company have taken the necessary steps to supervise effective compliance with the obligations established in the Regulation.

Appropriate measures have been adopted to facilitate supervision, ensuring compliance by the Subject Persons with general rules of conduct in the securities markets and with the rules expressly established in the Regulation, as well as the procedures envisaged therein and in other supplementary regulations. The key measures adopted were as follows:

- Publication on the Company's website to foster understanding of the Regulation and of other rules governing conduct in the securities markets applicable to the Subject Persons.
- Oversight of relations with the CNMV. Specifically, the CNMV was immediately notified of relevant events upon the adoption of decisions or signing of agreements and contracts concerned in the information reported.
- The GRC team has always shown ready and willing to interpret the rules established in the Regulation and to resolve any issues raised by the Subject Persons.
- In relation to inside information, efforts were made to ensure that (i) access to inside information is restricted on a strict need-to-know basis; (ii) the need to keep a documentary record identifying the persons with access to inside information and the dates of such access is assessed; (iii) appropriate security measures are implemented to assure custody, filing, access, copying and distribution of inside or relevant information; and (iv) that the market performance of traded securities issued by the Company is duly tracked.
- The Audit and Control Committee has taken steps to ensure that appropriate mechanisms were established for the regular exchange of information with institutional investors via the Head of Investor Relations, whose duties include overseeing effective relations with investors and analysts, and with other institutions concerned in the normal operations of listed companies, such as the CNMV.

No events or incidents were observed that might have obliged the Audit and Control Committee to open disciplinary proceedings in respect of any breach of the Regulation.

The Audit and Control Committee has been (and remains) especially empowered to require any data or information considered necessary from the persons subject to the Regulation and to establish any reporting requirements, control standards and other measures deemed necessary to ensure that it is able effectively to discharge the functions assigned to it, whether directly or indirectly via the Compliance Department.

#### **4. INCIDENTS CONCERNING TRADES IN SHARES AND FINANCIAL INSTRUMENTS**

No infringements were observed either in relation to the prohibition of day trading or to the restricted trading period of 30 calendar days prior to any date fixed for the publication of results by the Company.

#### **5. NOTICES CONCERNING TRANSACTIONS INVOLVING SHARES AND FINANCIAL INSTRUMENTS**

All Subject Persons who entered transactions involving securities or financial instruments of the Company duly notified the Secretary of the Board and the Compliance Department.

#### **6. PORTFOLIO MANAGEMENT AGREEMENTS**

The Company received no notice or copies of any discretionary portfolio management agreement pursuant to article 4.4 of the Regulation.

#### **7. ABUSE OR IMPROPER USE OF INSIDE INFORMATION**

No evidence was observed, or reports received regarding the abuse or improper use of Inside Information.

#### **8. PROTECTION OF INSIDE INFORMATION**

In order to manage and safeguard the use of Inside and Confidential Information, during the 2020 financial year records of insiders have been created for those corporate operations that have been the object of study, identifying all persons with access to Inside and Confidential Information of said operations.

#### **9. DISCLOSURE OF INSIDE INFORMATION**

During the period covered by this report, 16 Relevant Event notices were published, of which 4 correspond to Privileged Information and 12 to Other Relevant Information.

The Relevant Events have also been disclosed through the Company's corporate website as soon as they have been communicated to the CNMV.

#### **10. RULES OF CONDUCT REGARDING MARKET MANIPULATION**

No evidence has been observed to suggest that any Subject Person may have manipulated or sought to manipulate the market.

#### **11. TREASURY STOCK TRANSACTIONS**

Various transactions were carried out involving treasury shares during the period between approval of the Regulation and 31 December 2020. These transactions were duly reported to the CNMV as Relevant Events and were published on the corporate website.

## **12. REGISTER OF SUBJECT PERSONS AND RELATED PARTIES**

A register was created to identify initiates allowed access to information regarding Marketable Securities and Financial Instruments of the Company owned by the persons subject to the Regulation.

## **13. UPDATES**

On January 16, 2020, the CNMV transferred the main changes regarding the communication of privileged information and other relevant information that would be applicable as of February 8, 2020.

Likewise, as a result of the revision and approval of the modification of some recommendations of the Good Governance Code in June 2020, listed companies were urged to have a policy regarding the communication of economic-financial information.

This led to the creation of a general economic-financial and corporate communication Policy complementary to the Internal Code of Conduct, approved by the Board and the Audit and Control Committee and which is available on the corporate website.

The main updates that were included are as follows:

1. Relevant information is now referred to as inside information.
2. Description and differences between Privileged Information and Other Relevant Information.
3. A list of assumptions that could be the subject of "Inside information or other relevant information "are included for informational purposes.
4. New forms of dissemination of privileged information are contemplated.
5. It is allowed to delay the release of inside information under certain circumstances.
6. A record of privileged information is created, showing its publication status.
7. A Protocol for the management and dissemination of privileged information and other relevant information is established.

In January 2020, all directors were trained on the scope of these changes.