



January 2022

# **Annual Report 2021: Conflict of Interest and Related Party Transactions**

(Governance, Risk and Compliance Area)



**Neinor**  
H O M E S

Neinor Homes, SA.; Governance Risk and Compliance  
Castellana, 20; 6th Floor; 28046 Madrid; Tel: 912 875 130

## 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>, the Audit and Control Committee must analyze, among other matters, the transactions with related parties carried out by Neinor Homes, in order to submit them to the Board of Directors for its approval. Some of them, due to their materiality and at the discretion of the CAC and the Director of GRC, have been requested and have been submitted for approval together with the corresponding ad hoc report on them.

### Model background

- **Conflict of Interest and Related Party Transactions Standard** was approved by the Board of Directors on Sep. 15th, 2015. The last amendment was approved by the Monitoring and Control Committee on Feb. 28th, 2018 and reported to the Board of Directors. The procedure was communicated to the staff and published in 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 Area, that can request assistance from the Head of Legal.
  - **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 Area**.
  - **Reporting annually** conflict of interest and related party transactions to the **Audit and Control Committee**.
  - Sending and **receiving a written letter signed by the members of the board of directors with their confirmation** of not being exposed to any conflict of interest nor participated or being aware 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 to all employees** related to conflict of interest and related party included into the annual training of Ethic & Compliance.



### Final Assessment 2021

### Annual Report 2021

#### ❖ *Material transactions carried out during 2021*

a

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

Checked market prices, not below business plan. ERP prices unaltered, nor any discount applied over recorded prices. **Authorized transaction, analyzed and recorded by GRC Area.**

b

*1 transaction of asset rental by employee*

Checked market price, not below published price. ERP price unaltered, nor any discount applied over recorded price. Scoring approved by external company. **Authorized transaction, analyzed and recorded by GRC Area.**

c

*2 transactions of asset purchasing by the external sale force or by the related parties of external sales force company of Neinor Homes*

Checked sale price is adequate with market price. The established order selection of properties has been respected by the sales force company. **Authorized transaction, analyzed and recorded by GRC Area. Also provided training and instructions on the procedures to the Company's sales force by GRC Area.**

d

*Related party transactions with Neinor Group*

- **Framework agreement with the "UTE I-15"** (development agent of the I-15 sector of Alovera) with the aim of completing the urbanization works in the sector. **Authorized transaction by ACC and analyzed by GRC Area.**
- **"Sistemas Integrales Cualificados (SIC)":** Analysis of the economic offer received from SIC for the provision of IT services to "Quabit Construcción S.L.". **Authorized transaction by ACC and analyzed by GRC Area.**
- **2 assets purchased by "Quabit Construcción S.L."** from "Quabit Veleta S.L." (subsidiary of "Quabit Inmobiliaria"): **Authorized transaction by the Board of "Quabit Construcción S.L." and analyzed by GRC Area.**
- **2 legal services contracted to "Roca Junyent S.L.P."** where Silvia López (Secretary of Neinor Homes Board) works as partner.

**No conflicts of interest** nor related party transactions have materialized.

**No major risks** regarding conflicts of interests and related party transactions within Neinor Group.

**Two transactions** have been submitted to the Audit and Control Committee for approval.

<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.

## Neinor Homes Conflict of Interest and Related Party Transactions. Details of 2021

(Material transactions carried out during 2021)

a

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

One purchasing transaction in Hacienda Homes performed by the brother of a member who works in Neinor Experience team. Other purchasing transaction in Bulevar Homes performed by an employee of Purchases' Area in Neinor Homes. Other purchasing transaction in Aviva Homes performed by a commercial of Neinor Homes and the last one transaction related to Kutxabank asset performed by a commercial of Neinor Homes.

The prices were checked to prove that they were the same prices recorded in the ERP, with no discounts or commissions. GRC Area approved the transactions.

b

1 transaction of asset rental by **employee**

One rental transaction in Hacienda Homes performed by a Project Manager of Neinor Homes.

The price was checked to prove that it was the same price registered in the ERP, the asset was published, and the person interested in rent the asset approved the scoring by the external company. GRC Area approved the transaction.

c

2 transactions of asset purchasing by the **external sale force or by the related parties of external sales force company of Neinor Homes**

Two purchasing transactions performed by external sale force:

- A son of the Real Estate Agent interested on purchasing an asset from Arbaizenea II.
- An employee of Barin Centro Inmobiliario S.L. interested on purchasing an asset from Harri Sur Activos Inmobiliarios S.L.U.

In all of them it has been 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 all the transactions.

d

**Related party transactions with Neinor Group**

Four related party transactions with Neinor Group:

- **Framework agreement with the "UTE I-15"** (development agent of the I-15 sector of Alovera) with the aim of completing the urbanization works in the sector. **Authorized transaction by Audit and Control Committee and analyzed by GRC Area** which performed a report to ACC where explained all the risks and benefits for the transaction.
- **"Sistemas Integrales Cualificados (SIC)"**: Analysis of the economic offer received from SIC for the provision of IT services to "Quabit Construcción S.L". **Authorized transaction by Audit and Control Committee and analyzed by GRC Area** which performed a report to ACC where explained all the risks and items to change to do the transaction.
- **2 assets (business premises) purchased by "Quabit Construcción S.L."** from "Quabit Veleta S.L" (subsidiary of "Quabit Inmobiliaria") in order to use them as central offices of "Quabit Construcción S.L": **Authorized transaction by the Board of "Quabit Construcción S.L." and analyzed by GRC Area**. These assets were acquired at the published prices and recorded in the ERP.
- **2 legal services contracted to "Roca Junyent S.LP."** where Silvia López (Secretary of Neinor Homes Board) works as partner. The amount billed by this Law Firm in 2021 was 21.619 € to manage 2 litigation, one with an architect MOLINER OFFICE and the other related to clients of MARINA BADALONA. These services were **analyzed by GRC Area**, the service was immaterial in economic terms, the fees were in market prices and the Legal Area works with several Law Firms depending on the litigation.