



**2021 REPORT ON ACTIVITIES OF THE
BOARD OF DIRECTORS AND BOARD
COMMITTEES OF NEINOR HOMES S.A.**

Prepared by	Reviewed by	Approved by
GRC Management (Governance, Risk and Compliance)	Secretary of the Board	Board of Directors



Neinor
HOMES

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1. General

Neinor Homes S.A. (hereinafter “Neinor Homes” or the “Company”) is firmly committed to the orientation of its corporate governance practices to achieve the highest standards, align strategy and apply the relevant legislation and best practices in its day-to-day management and operations.

Following recommendation 6 of the Good Governance Code of listed companies approved by the Spanish National Securities Market Commission (hereinafter “CNMV”) in February 2015, and revised in June 2020, Neinor Homes will prepare a report on the functioning of the Audit and Appointments and Remuneration Committees, which will publish on its website well in advance of the Annual General Shareholders’ Meeting.

In this sense, this Activity Report includes the activities not only of the aforementioned Committees, but also of the other Board Committees existing in the Company (the Land Investment Committee) and of the Board of Directors itself.

The reporting period considered herein is the calendar year. This decision was adopted in order to ensure the greatest possible visibility and objectivity with regard to compliance with the Good Corporate Governance recommendations. Accordingly, the reporting period runs from January to December 2021. This will be the period taken as a reference by the Company in the future, so as to align reporting with the accounting and the “Corporate Governance” year, and to ensure that this Report is updated and available in time for the Ordinary General Shareholders' Meeting each year.

On the other hand, it should be noted that the Board and its delegated Committees discharge their supervisory and control functions with ongoing support from the:

- Chief Executive Officer.
- Secretary of the Board.
- GRC and Assurance Department (Corporate Governance, Internal Audit, Compliance, Risks, Corporate Social Responsibility and ESG).
- General Management.

These areas are at the disposal of Neinor Homes’ governing bodies whenever needed, working tirelessly to ensure the proper discharge of their duties and compliance with all of the obligations established by applicable legislation and best practices and in the area of good governance. They also provide Directors with any information needed on a timely basis to

allow between 6 and 12 days for review and analysis before meetings are held. They also channel the questions that Board and Committee members may raise and supply the relevant supporting and other documentation to ensure understanding of the issues.

Key activities undertaken by Neinor in the reporting period were as follows:

- Supervision and preparation of the ordinary General Shareholders' Meeting, held on March 31, 2021, covering aspects such as
 - Examination and approval of the Company's financial statements and the management of its affairs, and reappointment of the auditor.
 - Examination and approval of the proposed application of the individual income corresponding to the year ended 31 December 2020.
 - Re-election of Mr. Jorge Pepa to continue occupying the same position, for the statutory period of three years.
 - Examination and approval of the management and activity of the Board of Directors in the year ended on 31 December 2020.
 - Examination and approval of a share capital reduction through the cancellation of 4,615,608 treasury shares, and subsequent amendment of article 5 of the Articles of Association.
 - Review and approval of the merger by absorption of Quabit Inmobiliaria, S.A. by Neinor Homes, S.A., with the termination of the absorbed company and the transfer, by universal succession, of all its assets and liabilities to the absorbing company, all in accordance with the terms of the joint merger plan approved and signed by the Directors of the participating companies on 11 January 2021 and, for such purposes: (i) approval, as the merger balance sheet of Neinor Homes, S.A., of the balance sheet as of 31 December 2020, which has been reviewed by the auditors of Neinor Homes, S.A.; (ii) approval of the joint merger plan; (iii) approval of the merger and information of the terms and circumstances of the merger resolution; (iv) approval of the application of the special tax regime to the merger; (v) approval of the assuming of the powers of attorney granted by Quabit Inmobiliaria, S.A. as Neinor Homes, S.A.'s own; (vi) approval of the share capital increase of Neinor Homes, S.A. in the amount necessary to cover the exchange of the merger up to a maximum nominal sum of €55,992,160,00, through the issuance of a maximum of 5,559,216 ordinary

shares, each of a nominal value of 10 euros, belonging to the same class and series as the shares currently in circulation and represented by book entries; request for the admission to trading of the new shares to be issued in the Barcelona, Bilbao, Madrid and Valencia stock exchanges via the Spanish Stock Exchange Interconnection System (Continuous Market); delegation of powers related to the capital increase; and (vii) delegation of powers. Prior report regarding, if applicable, significant changes in the assets or liabilities of the entities participating in the merger between the date of the joint merger plan and the holding of the General Meeting.

- Delegation of powers to formalize and execute all the resolutions adopted by the General Shareholders' Meeting, for their notarization as a public document and their interpretation, correction, complementation, development and registration.
 - Consultative vote on the Annual Report on the Remuneration of Directors for the financial year ended 31 December 2020.
- Neinor Homes made its fourth, internal assessment of the quality and efficiency of the functioning and performance of the Board of Directors and its committees, which ensured:
 - Greater access to confidential internal information.
 - A more in-depth review, given that the scope of external assessments is limited with respect to Neinor Homes' objectives.
 - More flexibility, allowing adaptation to the directors' schedules.
 - Lower cost for the company.

In accordance with article 529 nonies of the Spanish Companies Law and Recommendation 36 of the Good Governance Code, Neinor Homes plans to carry out an autonomous internal assessment of the functioning of the Board and its respective Committees, taking into consideration the recommendations contained in CNMV Technical Guide 3/2017 on Audit Committees. This assessment will be carried out annually and every three years the Board of Directors will be assisted in carrying out the assessment by an external consultant, whose independence will be verified by the Appointments Committee.

This assessment will be linked to action plans with improvement measures.

In addition, Neinor Homes has defined a training plan for the Board of Directors and its Committees, offering a refresher programme to update the Directors' knowledge and expertise in certain areas. The following subjects were addressed in 2021:

- Group Ethics and Compliance.
- Anti-money laundering and Counter-Terrorism Financing.
- Evolution, macroeconomic situation, demand / prices, forecasts in the real estate sector: rental and development.
- Corporate governance and regulatory changes.
- Considerations on the banking sector at the national level: financing and capital markets.
- Risks in the real estate sector, residential market situation and responsibilities and obligations of Directors.
- Cybersecurity.
- Valuation of the company: process and methodology carried out by the appraisers.

This Activity Report was presented to and approved by each of the Board Committees with regard to the matters falling within their respective remits, and it was approved in its entirety by the Board of Directors on January 26, 2022. Likewise, the present Report will be made available to the Company's shareholders on the corporate website prior to the holding of the Annual General Shareholders' Meeting.

2. Purpose and Scope

The purpose of this document is to detail the functioning and composition of the Board of Directors and its three Committees: the Audit and Control Committee, the Appointments and Remuneration Committee and the Land Investment Committee, and describe the main activities and actions carried out by each body during the reported period (January–December 2021).

3. Board of Directors

Neinor Homes' Board of Directors is duly empowered to manage, direct, administer and represent the Company in accordance with applicable regulations and best corporate governance practices. As a general rule, the Board delegates ordinary management tasks to its committees and the management team, establishing the content, limits and type of powers granted, so as to concentrate on its supervisory functions and on the consideration of those matters of particular importance for the Company. The principles of action of the Board of Directors, as well as the basic rules governing its organization and functioning, and the rules governing the conduct of its members are set out in the Regulations of the Board of Directors, which is published on the corporate website:

https://www.neinorhomes.com/uploads/documentos_contenidos/25/documento/20170417_Regulations_BoD_ENG.pdf

3.1. Functioning

In accordance with Article 16 of the Regulations of the Board of Directors, the Board shall meet *"at least, quarterly"* or *"at the initiative of the Chairman, as many times as the Chairman deems appropriate for the smooth running of the Company"* or also, according to article 9 of the aforementioned Regulation, *"when so requested by at least one-third of the Directors"*.

Notice of meetings of the Board of Directors shall be given by the Secretary *"at least seventy-two hours before the day of the meeting"*.

Meanwhile, the Board of Directors shall be duly convened *"when one-half plus one of the full number of Directors decided upon by the General Shareholders' Meeting is present in person or by proxy"*.

Resolutions shall be adopted by absolute majority of the Directors present at the meeting.

The Secretary shall draw up the minutes of meetings, listing the persons attending and describing the matters debated and the resolutions agreed.

3.2. Membership

In accordance with Article 7 of the Regulations of the Board of Directors of Neinor Homes, *"The Board of Directors shall be made up of no fewer than five and no more than 15 members, the exact number to be determined by the General Shareholders' Meeting"*. As of the date of this report, the number of members of the Board of Directors is set at 9, in accordance with the resolution adopted by the 2018 Ordinary General Shareholders' Meeting.

The Regulations of the Board further stipules that the Company shall ensure that *“as far as possible, on the composition of the body, proprietary and independent Directors represent a majority of the Board of Directors, attempting that the number of independent Directors represent at least one third of the members of the Board of Directors”*. The Chairman of the Board *“shall be elected from among its members”*.

As of December 31, 2021, the composition of the Board was as follows:

Name	Position	Category
Ricardo Martí Fluxá	Chairman	Independent Director
Anna M. Birulés Bertran	Director	Independent Director
Alfonso Rodés Vilà	Director	Independent Director
Andreas Segal	Director	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Director	Independent Director ¹
Jorge Pepa	Director	Executive Director
Van J. Stults	Director	Proprietary Director
Aref H. Lahham	Director	Proprietary Director
Borja Garcia-Egocheaga	CEO	Executive Director

¹ Mr. Morenés was reclassified from Other External Director to Independent Director on February 24, 2021, the date on which the Appointments and Remuneration Committee approved his change in status, and which was subsequently ratified by the Board based on article 529 duodecies of the Capital Companies Law.

The Board has a Secretary, Mrs Silvia López Jiménez, who is not a member of the Board of Directors and therefore cannot vote.

In light of the above, Neinor Homes complies with the requirements established and mentioned above, as it has 9 Directors, of which 5 are independent, 2 are executive and 2 are proprietary.

The professional résumé of each Director can be found on the corporate website:

<https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

3.3. Meetings held and attendance

The Board of Directors met a total of 16 times in the reporting period. The meetings of the Board of Directors were held on the following dates:

- Jan 7, 2021 (in writing) *
- January 11, 2021 (multilateral videoconference (Microsoft Teams)). *
- February 24, 2021 (multilateral videoconference (Microsoft Teams)). *
- March 25, 2021 (in writing) *
- March 26, 2021 (in writing) *
- April 9, 2021 (multilateral videoconference (Microsoft Teams)). *
- May 14, 2021 (multilateral videoconference (Microsoft Teams)). *
- May 19, 2021 (in writing) *
- May 31, 2021 (in writing) *
- June 30, 2021 (multilateral videoconference (Microsoft Teams)). *
- July 28, 2021 (Multilateral videoconference (Microsoft Teams)). *
- August 9, 2021 (in writing) *
- September 15, 2021 (in writing) *
- September 29, 2021 (Multilateral videoconference (Microsoft Teams)). *
- November 17, 2021 (Malaga)
- December 10, 2021 (multilateral videoconference (Microsoft Teams)). *

** According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, during 2021 the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.*

The percentage of attendance in person and proxies carried out with specific instructions, out of the total number of votes and possible attendance was 99,31% during the year. In addition, other members have participated, as detailed in the table below:

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Other attendees	07/01/2021	11/01/2021	24/02/2021	28/03/2021	28/03/2021	09/04/2021	14/05/2021	19/05/2021	31/05/2021	30/06/2021	28/07/2021	09/08/2021	15/09/2021	23/09/2021	17/11/2021	10/12/2021
General Financial Directorate	✓	✓								✓					✓	✓
Real Estate General Directorate										✓					✓	✓
General Directorate of Business										✓						
General Directorate of Operations										✓						

3.4. Activities developed

The Board of Directors uses the diagnoses of supervisory activities, reports, policies and other obligatory activities of the Board, which is prepared by the GRC Department based on external laws and regulations (Spanish Companies Law, Securities Market Law and New Audit Law) and on the self-imposed undertakings made in the internal procedures and rules applicable to the Board and its Committees, as a tool to organize and plan its work, and to distribute and schedule the actions required to be taken over the course of the year.

The Corporate Governance scorecard is then used to track and control the work plans prepared by the Board and its Committees, and to establish activities and agenda items for the various Board and Committee meetings.

Finally, the Board also issues instructions to the GRC Department annually to carry out the following tasks on an ongoing basis:

- Make a diagnosis and report on compliance with the recommendations set out in the Code of Good Governance.
- Review compliance with technical, legal and information specifications regarding the mandatory content of the corporate website as stipulated in Circular 3/2015 of 23 June, of the Spanish National Securities Market Commission.

Activity and items debated at meetings of the Board of Directors

The principal matters examined and dealt with at the various meetings of the Board of Directors are summarized below based on the functions and powers delegated. This summary is supplemented by the specific actions undertaken by each of the Committees, which are described herein in the sections titled “Activity”. (Activities marked with an asterisk (*) are “Matters brought before the Board for approval and/or ratification”).

Meanwhile, the Chairs of the various Committees track the items discussed at all Committee meetings in order to improve communication and ensure that all members are fully involved in the deliberation of all agenda items.

The main aspects discussed and analysed at the meetings of the Board during the 2021 financial year were:

- Determination of the amount and date of distribution of the dividend against reserves approved by the general shareholders' meeting on 1st April 2020.
- Resolutions in relation to the approval of the joint plan for the merger between Quabit Inmobiliaria, S.A. (as absorbed company) and Neinor (as absorbing company), its publication in Neinor's corporate website and request for the appointment of an independent expert.
- Approval of execution of irrevocable commitments in the framework of the merger.
- Review and approval of the Annual Corporate Governance Report corresponding to the financial year ending on 31 December 2020, including the review of each director's category.
- Review and approval of the Annual Report on Directors' Remuneration corresponding to the financial year ending on 31 December 2020.
- Review and approval of the Corporate Social Responsibility memo report of the Company.
- Drafting of the individual annual accounts and the individual management report of the Company for the financial year ended on 31 December 2020.
- Drafting of the consolidated annual accounts and the consolidated management report of the Company for the financial year ended on 31 December 2020.
- Proposal for the application of the results of the financial year ended on 31 December 2020.
- Review and approval of the Annual Financial Report corresponding to the financial year ending on 31 December 2020.
- Review and approval of the summarized financial statements corresponding to the twelve months of the financial year ending on 31 December 2020.
- Acknowledgement of the report on the activities of the internal audit department corresponding to the financial year ended on 31 December 2020.
- Review and approval of the report on the activities of the Board of Directors and its committees.

- Acknowledgement of the report regarding the independence of the auditors and on the delivery of services different from the audit services.
- Acknowledgement of the report on related transactions and conflict of interest.
- Acknowledgement of the information submitted by the Chief Financial Officer on treasury shares transactions.
- Review and approval of the business plan: Budget 2021 and forecast 2022-2025.
- Report on the press release and presentation regarding the annual results of the Company.
- Approval of the re-election proposal of Mr. Jorge Pepa as executive director of the Company for the statutory period of three years.
- Approval of the reclassification of Mr. Felipe Morenés as independent director of the Company.
- Proposal to the General Shareholders' Meeting regarding the re-election of the auditor of the Company, as well as its group, for the financial year ending 31 December 2021.
- Proposal to the General Shareholders' Meeting of a capital reduction by means of the redemption of treasury stock.
- Review and approval of the merger's balance sheet and the directors' report regarding the joint merger plan.
- Application of the special tax regime to the merger.
- Acknowledgment of the independent expert report.
- Review and approval of the proposal to call and date the next Ordinary General Shareholders' Meeting of the Company.
- Review and approval of the specific targets of the bonus of the executive directors for 2020.
- Information on the changes made to the corporate structure of the Neinor Homes group.
- Review and approval of the calendar of meetings of the Board and its Committees for 2021.

- Amendment to the Internal Code of Conduct in the Securities Market.
- Approval of a program for the repurchase of treasury shares in order to reduce the share capital by means of a share redemption and to comply with the obligations derived from programmes relating to allocation of shares to employees, officers and directors.
- Review and approval of the document referred to in article 1(4)(g) and (f) of Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and pro forma financial information envisaged in the aforementioned Regulation (EU) 2017/1129.
- Approval and authorisation of the Company's Refinancing Transactions and granting of special powers of attorney in relation to them.
- Review and approval of Q1, Q2 and H1 financial information and the presentation provided to markets.
- Quabit integration completion achievement.
- Resolutions regarding the merger and regarding the transactions to be carried out with various creditors of Quabit following registration of the merger.
- Acceptance by Neinor of position as director of affiliates and appointment of representative natural person.
- BP Overview.
- Acquisition pipeline and further growth opportunities.
- Cost construction inflation mitigation measures.
- KB contract renewal process.
- Ratification of the dismissal of the Legal Director and Secretary of the Board of Quabit.
- Report on the agreements entered with Quabit's CEO.
- Review and approval of the note to be included in the H1 financial statements in connection with the impact of the Covid-19 pandemic.
- Analysis of business lines alternative to servicing.

- Review and approval of the agreements to be entered into between Quabit Construcción, S.A. / Neinor Homes, S.A. and Quabit's CEO.
- Review and approval to subscribe the framework agreement regarding the urbanization of Alovera's Sector II-1.
- Business update.
- Growth and business development strategy.
- Capital Markets and investors approach.
- Update on corporate transactions.
- Review of the communication received from the Stock Exchange Regulator (CNMV) on 24 November 2021. Review and approval of the amendments to be made to the existing confidentiality and information policy.
- Calendar of Board meeting for 2022.

4. Audit and Control Committee (ACC)

Neinor Homes' Audit and Control Committee (ACC) was created by the Board of Directors on 14 May 2015 as a reporting and consultative body without executive functions but vested with powers to report, advise, and make proposals within its remit, as determined in the Committee Regulations published on the corporate website:

https://www.neinorhomes.com/uploads/documentos_contenidos/28/documento/20170417_Audit_and_Control_Committee_Charter_ENG.pdf

4.1. Functioning

In accordance with Article 4 of the ACC Regulations, the Committee shall meet *“at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required,”* or also *“at the request of any of its members, of the external audit lead partner, or the head of internal audit, as well as when called by its chairman. Furthermore, the chairman is to call the meeting whenever the Board of Directors or its chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority”*.

Meetings shall be convened by the Committee Secretary, who notifies each member at least three business days in advance of the date set for each meeting.

Committee meetings are deemed quorate whenever attended, either in person or by proxy, by half plus one of their members. Resolutions are adopted by absolute majority vote of members present.

The Secretary is responsible for drawing up the minutes to each meeting, which must include a list of attendees, the matters debated and the resolutions adopted.

4.2. Membership

In accordance with Article 14 of the Regulations of the Board of Directors of Neinor Homes, the ACC *“shall be made up of no fewer than three and no more than five Directors, appointed by the Board of Directors itself, all of whom must be non-executive Directors. A majority of the Audit and Control Committee members shall be independent [Directors]”*. Moreover, *“The Chairman of the Audit and Control Committee [shall be appointed] from among the independent Directors that are members of that Committee”*.

As of December 31, 2021, the composition of the ACC was as follows:

Name	Position	Category
Anna M. Birulés Bertran	Chairwoman	Independent Director
Ricardo Martí Fluxá	Member	Independent Director
Alfonso Rodés Vilà	Member	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Member	Independent Director ¹
Van J. Stults	Member	Proprietary Director

¹ Mr. Morenés was reclassified from Other External Director to Independent Director on February 24, 2021, the date on which the Appointments and Remuneration Committee approved his change in status, and which was subsequently ratified by the Board based on article 529 duodecies of the Capital Companies Law.

The Secretary to the Committee is Ms Silvia López Jiménez, who is not a member of any Committee or of the Board of Directors and therefore cannot vote.

It is seen that the Company meets the requirements established, having formed an ACC with 5 members, 4 of whom, including the Committee's chair, are Independent Directors.

The professional résumé of each ACC member is available on the corporate website: <https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

4.3. Meetings held and attendance

The Audit and Control Committee met on 11 occasions in the reporting period, and the meetings were held on the following dates:

- January 11, 2021 (multilateral videoconference (Microsoft Teams)). *
- February 24, 2021 (multilateral videoconference (Microsoft Teams)). *
- March 25, 2021 (in writing) *
- March 26, 2021 (in writing) *
- May 14, 2021 (multilateral videoconference (Microsoft Teams)). *
- July 28, 2021 (Multilateral videoconference (Microsoft Teams)). *
- August 9, 2021 (in writing) *
- September 15, 2021 (in writing) *
- September 29, 2021 (Multilateral videoconference (Microsoft Teams)). *
- November 17, 2021 (Malaga)
- December 10, 2021 (multilateral videoconference (Microsoft Teams)). *

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* According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, during 2021 the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.

At all the meetings, 98,18% of the Directors and the Secretary of the Committee were present or were given proxies to vote. In addition, apart from other Directors, other members attended, as detailed in the following table:

Other attendees	11/01/2021	24/02/2021	25/03/2021	26/03/2021	14/05/2021	28/07/2021	09/08/2021	15/09/2021	29/09/2021	17/11/2021	10/12/2021
General Financial Directorate	✓	✓				✓			✓	✓	
Investor Relations Directorate					✓	✓			✓	✓	
GRC, Internal Audit & ESG Directorate		✓			✓	✓			✓	✓	✓
External Auditor		✓				✓					✓

The Committee often requires the CEO to join its meetings so that he can report on different situations, actions or risks.

Likewise, said Committee regularly holds meetings with the GRC, Internal Audit & ESG Department and the external auditors, which the CEO does not attend, with the aim of safeguarding any conflict of interest that may arise.

4.4. Activities developed and training

Training

GRC, Internal Audit & ESG Department, at the Committee's request, in order to update the rules and good practices, has prepared a series of analyses and tasks in order to maintain absolute compliance with the aspects related to Good Governance and Compliance, among which we can highlight:

- Changes in the regulations relating to the CNMV (Capital Companies Act, Securities Market Act and Law on Account Auditing).
- Risks in the Real Estate sector, residential market situation and responsibilities and obligations of Directors.
- Non-Financial information.

- Evolution, macroeconomic situation, demand / prices, forecasts in the real estate sector: rental and development.

Activities developed

In addition, in the exercise of the functions attributed to the ACC, the main activities reviewed and analysed by this Committee during its eleven meetings are detailed below:

() Activities submitted to the Board for approval and/or ratification*

- Review and approval of the favourable report on the merger by absorption of Quabit Inmobiliaria, S.A. -the absorbed company- by Neinor Homes, S.A. -the absorbing company- and submission of the report to the Board of Directors. (*)
- Review of the annual financial information as of 31 December 2020 including the Annual Financial Report and the annual accounts corresponding to the financial year ended on 31 December 2020. (*) Presentation on the conclusions regarding the audit carried out by Deloitte, S.L.
- Review of the proposed summarized financial statements corresponding to the twelve months of the financial year ended on 31 December 2020. (*)
- Report on the press release and presentation regarding the annual results of the Company. (*)
- Review and approval of the report on the selection process of the auditor and of the proposal to the Board of Directors regarding the re-election of the auditor of the Company, as well as its group, for the financial year ending 31 December 2021. (*)
- Report regarding risks and impacts resulting from Covid-19 to be included in the annual accounts as indicated by the European Security and Markets Authority (ESMA) to listed companies. (*)
- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for the financial year ended on 31 December 2020. (*)
- Review and approval of the information regarding ICFRS (SCIIF) to be included public in the annual Corporate Governance Report (IAGC), of the external auditor's verification report on ICFRS (SCIIF) and of the executive summary of the internal auditor on ICFRS (SCIIF). (*)

- Review and approval of the report on the measures taken to ensure compliance with the provisions of the Company's Internal Code of Conduct. (*)
- Review and approval of the annual report on the functioning of the Audit and Control Committee. (*)
- Review and approval of the report on the auditor's independence and on the delivery of services different from the audit services. (*)
- Review and approval of the report on related transactions and conflicts of interests for fiscal year 2020. (*)
- Report of the internal audit on the terminations of reservations and sale and purchase agreements.
- Report on the audits regarding quality, environmental, R&D&I and Information Security System by independent external auditors.
- Review and approval of the work program for the Audit and Control Committee 2021.
- Proposal of training for the Board for 2021. (*)
- Review and approval of the Internal audit and GRC plan 2021 and report of the activities carried out by Internal Audit and GRC in 2020.
- Review and approval of the Corporate Social Responsibility memo-report and the external audit report. (*)
- Review and approval of the plan for the improvement of the nonfinancial information report and the focus on this matter for 2021.
- Reports on (i) the negotiation of treasury shares by the Company and (ii) on the capital reduction by means of the redemption of treasury stock to be submitted to the General Shareholders' Meeting. (*)
- Amendment to the Internal Code of Conduct in the Securities Market. (*)
- Favourable report on the approval of a program for the repurchase of treasury shares. (*)
- Review and ratification of the pro forma financial information included in the document referred to in article 1(4)(g) and (f) of Regulation (EU) 2017/1129 on

the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. (*)

- Review of the Q1, Q2 and H1 financial information. (*)
- Report on the press release and presentation regarding the Q1, Q2 and H1 financial information. (*)
- Report on Anti Money Laundering audits. (*)
- Annual report on compliance activities.
- Update of the risk and internal control status. (*)
- Improvement of Neinor Homes' ESG model.
- Update on new regulations from the regulator (CNMV).
- Review of the H1 financial information and summarized consolidated interim financial statements. (*)
- Presentation of the audit work carried out for the review of the financial statements of H1 and external audit recommendations.
- Report on the press release and presentation regarding the H1 financial information. (*)
- Review and favourable report on the services agreement to be entered into between Neinor Homes, S.A. and Quabit's CEO. (*)
- Review and approval of the note to be included in the H1 financial statements in connection with the impact of the Covid-19 pandemic. (*)
- Review and approval of the favourable report for the subscription of the framework agreement regarding the urbanization of Alovera's Sector II-1. (*)
- Presentation of the new ESG policy. (*)
- Quarterly report on the internal control system, internal audit, and compliance activities.
- Presentation of the Quabit internal audit.
- Cash Flow forecast FY 2021.
- Report on the control of Quabit Construction and Renta Garantizada.

- Report on the Quabit related party transaction (SIC).
- Report on the compliance training actions carried out.
- Report from the external auditor in connection with the status of the external audit of the 2020 financial statements. (*)
- Presentation of the work schedule of the Audit and Control Committee for 2022.
- Supervision and follow-up of the complaints received in the company's Whistleblowing Channel. (*)
- Review and supervision of outsourced processes: supplier control.
- Review and update of compliance and internal control policies. (*)

5. Appointments and Remuneration Committee (ARC)

Neinor Homes' Appointments and Remuneration Committee (ARC) was set up by the Company's Board of Directors on 14 May 2015 as an internal informative and consultative body without executive functions duties, but vested with reporting, advisory and proposal-making powers within its remit, as determined in the Committee Regulations published on the corporate website:

[https://www.neinorhomes.com/uploads/documentos_contenidos/27/documento/20170417_Remuneration Committee charter ENG.pdf](https://www.neinorhomes.com/uploads/documentos_contenidos/27/documento/20170417_Remuneration%20Committee%20charter%20ENG.pdf)

5.1. Functioning

In accordance with article 4 of the ARC Regulations, *"The Committee shall meet every three months or, at least, four times per year,"* or *"... when any of its members requests it or when duly called by the Chairman of the Committee. The Chairman is to call the meeting whenever the Board of Directors or its Chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority"*.

Meetings of the ARC are convened by the Committee Secretary, who sends prior notice of the meeting to each member and any other persons required to attend reasonably in advance of the date on which it is to be held.

A valid quorum will be reached when half plus one of the Directors holding seats on the Committee are present in person or by proxy. Resolutions must be adopted by majority vote of the Committee members attending.

The Secretary shall draw up the minutes of meetings, listing the persons attending and describing the matters debated and the resolutions agreed.

5.2. Membership

In accordance with Article 15 of the Regulations of the Board of Directors of Neinor Homes, the ARC *"shall be made up of no fewer than three and no more than five Directors, appointed by the Board of Directors itself, all of whom shall be non-executive Directors. The majority of the members of the Appointments and Remuneration Committee shall be independent Directors"*. The Board of Directors shall appoint the Committee's Chair *"from among the independent Directors holding seats on the same"*.

As of December 31, 2021, the composition of the ARC was as follows:

Name	Position	Category
Ricardo Martí Fluxá	Chairman	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Member	Independent Director ^{1r}
Alfonso Rodés Vilà	Member	Independent Director
Anna M. Birulés Bertran	Member	Independent Director
Van J. Stults	Member	Proprietary Director

¹ Mr. Morenés was reclassified from Other External Director to Independent Director on February 24, 2021, the date on which the Appointments and Remuneration Committee approved his change in status, and which was subsequently ratified by the Board based on article 529 duodecies of the Capital Companies Law.

In addition, the Committee has a Secretary, Silvia López Jiménez, who is not a member of any Committee or of the Board of Directors and therefore cannot vote.

In this connection, Neinor Homes complies with the established requirements since it has 5 Directors in its ARC, 80% of whom are independent, including its Chair.

The professional résumé of each ARC member is available on the corporate website: <https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

5.3. Meetings held and attendance

The Appointments and Remuneration Committee held 5 meetings in the reporting period, on the following dates:

- Jan 27, 2021 (multilateral videoconference (Microsoft Teams)). *
- February 24, 2021 (multilateral videoconference (Microsoft Teams)). *
- May 14, 2021 (multilateral videoconference (Microsoft Teams)). *
- July 28, 2021 (Multilateral videoconference (Microsoft Teams)). *
- December 10, 2021 (multilateral videoconference (Microsoft Teams)). *

* According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, during 2021 the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.

All members of the ARC and the Committee's Secretary have attended the meetings held by the Committee. In addition, apart from other Directors, the following members attended:

Other attendees	27/01/2021	24/02/2021	14/05/2021	28/07/2021	10/12/2021
General Financial Directorate	✓	✓		✓	✓
Internal Audit and Compliance Department	✓			✓	

5.4. Activities developed

In accordance with the functions assigned to the ARC, the main issues discussed at the meetings held during the year are listed below:

() Matters brought before the Board for approval and/or ratification*

- Review of the results of the external Board and Committees performance assessment.
- FY2020 Forecast results.
- Review and approval of the bonus accrued in 2020.
- Review and approval of an extraordinary bonus in connection with corporate transactions. (*)
- Review and approval of the salaries, targets and bonus for 2021.
- Review and approval of the annual report on the functioning of the Appointments and Remunerations Committee. (*)
- Report on the corresponding sections of the Annual Corporate Governance Report (IAGC) for the financial year ended on 31 December 2020. (*)
- Report on the Annual Report on the Remuneration of directors (IAR) for the financial year ended on 31 December 2020. (*)
- Board cost evolution, managers gap and bonus requirements.
- Favorable report on the re-election of Mr. Jorge Pepa as executive Director of the Company for the statutory period of three years. (*)
- Report on the re-classification of Mr. Felipe Morenés as independent Director of the Company. (*)

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- Analysis of the ISS report on remunerations of the Board.
- Review of the targets of the employees of the Company for 2021.
- Review and favourable report on the agreements to be entered into between Quabit Construcción, S.A. / Neinor Homes, S.A. and Quabit's CEO. (*)
- Information on the draft of a forthcoming retention plan.
- Improvement of the Annual Remunerations Report and Remunerations Policy in connection with the guidelines of the proxy advisors.
- Overview of the Company's workforce.
- Review and, if applicable, approval, of the new retention plan for the employees of the Company.
- Presentation of the work schedule of the Appointment and Remunerations Committee for 2022.

6. Land Investment Committee (LIC)

Neinor Homes' Land Investment Committee (LIC) was set up by the Company's Board of Directors on 14 May 2015 as a body with reporting, supervisory and advisory functions within its remit, as specified in the Regulations thereof.

6.1. Functioning

In accordance with Article 4 of the LIC Regulations, the Committee is required to meet *"at least, four times per year,"* as well as *"... when any of its members requests it or when duly called by the chairman of the Committee. The chairman is to call the meeting whenever the Board of Directors or its chairman requests the issuance of a report or adoption of proposals and, in any event, whenever it is appropriate to the proper exercise of its authority"*.

The meetings of the LIC are convened by the Committee secretary, who forwards notice of each meeting *"to each member of the Committee, any other person required to attend and all other non-executive Directors, no later than three (3) working days before the date of the meeting"*.

The LIC adopts resolutions by simple majority vote.

The Secretary is responsible for drawing up the minutes, which include a summary of deliberations and decisions, the names of the persons attending and details of the votes cast.

6.2. Membership

Article 1 of the Neinor Homes Land Investment Committee Regulations establishes the membership of the LIC, which *"shall be made up of at least three and a maximum of seven members"*, who shall be *"appointed by the Board of Directors of the Company"*, and the *"majority of the members of the Commission shall be non-executive Directors"*. Also, *"The Board shall appoint the Committee Chairman"*.

As of December 31, 2021, the composition of the LIC was as follows:

Name	Position	Category
Aref H. Lahham	Chairman	Proprietary Director
Borja Garcia-Egocheaga	Member	Executive Director
Ricardo Martí Fluxá	Member	Independent Director
Felipe Morenés Botín-Sanz de Sautuola	Member	Independent Director ¹
Van J. Stults	Member	Proprietary Director
Andreas Segal	Member	Independent Director
Jorge Pepa	Member	Executive Director

¹ Mr. Morenés was reclassified from Other External Director to Independent Director on February 24, 2021, the date on which the Appointments and Remuneration Committee approved his change in status, and which was subsequently ratified by the Board based on article 529 duodecies of the Capital Companies Law.

In addition, the Committee has a Secretary, Mrs Silvia López Jiménez, who is not a member of any Committee or of the Board of Directors and therefore cannot vote.

Neinor Homes complies with the established requirements since it has 7 members in its LIC, 72% of whom are non-executive Directors (43% independent and 29% proprietary).

The professional profile of each LIC member is available on the corporate website: <https://www.neinorhomes.com/about-us/our-people/board-of-directors/>

6.3. Meetings held and attendance

The Land Investment Committee has held 5 meetings in the reporting period, which took place on the following dates:

- February 24, 2021 (multilateral videoconference (Microsoft Teams)). *
- May 14, 2021 (multilateral videoconference (Microsoft Teams)). *
- July 28, 2021 (Multilateral videoconference (Microsoft Teams)). *
- November 17, 2021 (Malaga)
- December 10, 2021 (multilateral videoconference (Microsoft Teams)). *

* According to article 16 (point 9) of the Regulations of the Board of Directors of Neinor Homes and to Royal Decree-Law 2/2021, of January 26, during 2021 the sessions of the administrative bodies and of the delegated commissions of the Capital companies may be held by videoconference or by multiple telephone conference. In addition, these bodies may adopt resolutions by means of a written vote and without a session whenever so decided by the chairman and they must be so adopted when requested by at least two of the members of the body.

The meetings were attended by all members of the LIC and the Committee Secretary. In addition to other Directors, other members attended, as detailed in the following table:

Other attendees	24/02/2021	14/05/2021	28/07/2021	17/11/2021	10/12/2021
General Financial Directorate	✓			✓	✓
Real Estate General Directorate	✓	✓	✓	✓	✓
General Directorate of Operations	✓	✓	✓	✓	✓
General Directorate of Business	✓	✓	✓	✓	✓

6.4. Activities developed

The main matters examined and dealt with by the committee within its remit were as follows:

() Matters brought before the Board for approval and/or ratification*

- Review of the Business Plan: Budget 2021 and forecast 2022-2025. (*)
- Update on corporate transactions. (*)
- Land strategy 2021.
- Overview of the development activity.
- Rental business update.
- Land acquisition update.
- Update on the Kutxabank contract renewal. (*)
- Review and approval of the risk analysis and action plan for the development of the Alovera sector.
- Update on cost inflation on construction.
- Forecast closing and achievements FY 2021.
- Update on acquisitions strategy.

It is noteworthy that the approval of land acquisition transactions, and the launch of developments that cannot be delayed until the earliest date of a LIC meeting, is done by its members by e-mail, after sending to the Directors by that same means the documentation related to said investment (ICM "Investment Committee Memorandum" and 2nd GO VS

“Viability Study”, mainly), for its analysis and approval. Therefore, these approvals are also given by the Committee without the need to hold a physical meeting.