
**Policy on the Remuneration of Directors 2020-2022 of
Compañía de Distribución Integral Logista Holdings, S.A.
("LOGISTA")**

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1. General principles of the Policy on the Remuneration of Directors

1.1 Principles and foundations

The remuneration of the Company's Directors is determined by taking account of (i) the regulations of the Capital Companies Act applicable to capital companies and, in particular, to public listed companies; (ii) the Bylaws (Art. 39), the Rules of the Company's Board of Directors (Arts. 30 y 31) and the Policy on the Remuneration of the Group's Senior Management (relating to Executive Directors); (iii) the objectives set in the Group's Business Plan (hereinafter, the "**Business Plan**"); and (iv) the resolutions adopted by the General Shareholders' Meeting.

In addition, when defining its Remuneration Policy, the Company ensures that it conforms to the principles of, and recommendations for, good corporate governance, the best market practice and the guidelines of institutional investors and proxy advisors.

In view of the foregoing, the general principles on which the Remuneration Policy is based are the following:

- The creation of value for the shareholder in a manner which is sustainable over time.
- Competitiveness, through the establishment of a remunerative framework which is aligned with the best practices in the marketplace, competitive in relation to that of comparable companies, and which attracts and retains the best professionals.
- Rewarding in accordance with levels of responsibility and professional track record.

- A reasonable balance between fixed and variable remuneration, reflecting adequate management of risks with the achievement of defined objectives.
- Remuneration linked to results so that a significant proportion of the total remuneration of the Company's Executive Directors is variable, its payment being linked to the achievement of financial, business and value-creation objectives which are pre-determined, specific, quantifiable and aligned with the Business Plan.

The Remuneration Policy is designed to attract, retain and motivate the best professionals, while establishing a stable and durable link between remuneration, results and the shareholders' interests, thereby achieving the Group's long-term objectives.

Article 39 of the Bylaws stipulates that the position of Director must be remunerated, and specifies the remunerative systems applicable to Directors in accordance with their status.

In accordance with the aforementioned Article, and with Articles 30 and 31 of the Rules of the Board of Directors, the Remuneration Policy distinguishes between the remuneration of Directors in their capacity as such and their remuneration for the performance of executive duties.

The main characteristics of the remunerative system for Directors are described below.

1.2 Characteristics of the Policy on the Remuneration of Directors in their capacity as such

In accordance with the principles detailed in section 2.1 above, the remuneration of the Company's Directors, in their capacity as such, must be governed by the following principles:

- It must be a reasonable reward for their dedication, skill and responsibility, without being an obstacle to their duty of loyalty or independence of judgement.
- It must be aligned with the standards of corporate governance and with market conditions, taking account of the Group's characteristics and activity.
- It must allow the Company access to the best talent, and must foster its retention.
- Finally, and in accordance with the recommendations of the Code of Good Governance of listed companies, approved by a resolution of the Board of the *Comisión Nacional del Mercado de Valores* (National Securities Market Commission) of 18th February, 2015 (the "**Code of Good Governance**"), the directors, in their capacity as such, will not have systems of variable remuneration, whether in cash, shares, options or rights over shares or instruments referenced to the share value, nor long-term savings schemes such as pension plans, retirement schemes or other social benefit schemes.

1.3 Characteristics of the Policy on Remuneration for the performance of executive duties

The system of remuneration of directors for the performance of executive duties will have the following characteristics:

- A balanced and effective relationship between the fixed and variable components.
- The variable remuneration will have a medium- and long-term component, which will motivate the directors' strategic actions, as well as a component that will reward the achievement of results in the short term. An appropriate proportion of the variable remuneration will be linked to (i) medium- and long-term objectives and (ii) the deferred cession of some of the Company's own shares.
- The remunerative system will be consistent with adequate and efficient management of risk and with the Company's corporate strategy, values and long-term interests, and will be orientated towards the promotion of the Company's long-term profitability and sustainability.
- It will take account of market trends and of the principles and recommendations in good governance, and will be effective in attracting and retaining the best professional staff.

The Policy on Remuneration is thus orientated towards the creation of value in the Group, and seeks alignment with the interests of the shareholders, with prudent management of risks and with strict compliance with current regulations governing the remuneration of directors of listed companies.

2. Components of the remunerative system applicable to Directors in their capacity as such

The remuneration of the Directors in their capacity as such consists of a fixed monthly amount in cash, in conformity with the standards of the marketplace, and of allowances for attending meetings of the Board and of its Committees. The fixed monthly remuneration will depend on the position, the degree of responsibility and the functions of each director in the Board and in its Committees, and the independence of each director must be guaranteed. However, it will be left to the judgement of the Board of Directors to consider other circumstances, which will have to be objective, and applied transparently, to calculate the remuneration of the directors in their capacity as such, within the maximum laid down in the remunerative system of this Policy.

Directors who live outside the municipality in which the Board or Committee Meetings are held will be entitled to reimbursement of duly documented expenditure on travelling, sustenance and hotel accommodation.

Notwithstanding the foregoing, directors may waive their right to receive the remuneration to which they are entitled under this Policy.

Directors, in their capacity as such, are included in the coverage of the Group's insurance against directors' liability.

The remuneration of the directors, in their capacity as such, is aligned with Recommendation 57 of the Code of Good Governance, so they do not receive variable remuneration, nor any long-term remuneration under pension plans, retirement schemes or other social benefit schemes, nor do they participate in remuneration plans linked to the price of the Company's share, even though this form of remuneration is provided for in the Company's Bylaws.

3. Components of the remunerative system applicable to Directors for the performance of executive duties

Articles 39 of the Bylaws and 30 of the Rules of the Board of Directors stipulate that Directors who perform executive duties, whatever may legally be the nature of their relationship with the Company, and regardless of the remuneration described in the preceding section, will be remunerated with a fixed amount, appropriate for their services and responsibilities, and a variable amount, and also by their inclusion in the pension, insurance and incentive schemes set up for the Senior Management.

In addition, and in accordance with the provisions of the said Articles, Directors, for carrying out their executive duties, may also be remunerated by the cession of shares or share option rights or any remunerative system based on the value of the share, after agreement of the General Meeting.

The receipt of remuneration for the performance of executive duties is entirely compatible with the Director's receiving remuneration in his or her capacity of Director.

In accordance with the foregoing, the remunerative system for Executive Directors may include the following components, which will have no bearing on the remuneration which they receive for belonging to the Board of Directors and attending its meetings, as specified in section 3 above:

Component		Purpose
Fixed Remuneration		Determined in accordance with their services and responsibilities in the Group, and with their position, and after ensuring that it is competitive in comparison with remuneration in comparable entities.
Variable Remuneration	Short-term (annual)	To conform to the most usual remunerative practices in the marketplace and to link remuneration to the achievement of annual objectives, in line with the Business Plan.
	Deferred: medium- and long-term (multiannual)	To strengthen the medium- and long-term commitment to the Company's shareholders. Effected by means of plans with deferred settlement in Company shares. The multiannual incentive plans will last three years and may overlap in time.
Long-term savings schemes		To constitute an additional savings scheme linked to retirement.
Remuneration in kind		To offer a competitive remunerative package in line with the customary market practices.

3.1 Fixed Remuneration

The fixed remuneration reflects the director's level of responsibility in the Group, the offices held and the director's professional experience, ensuring that it is competitive compared with that paid in companies comparable to the Company in order to attract and retain the best professionals.

In order to calculate it and make any updating, account will be taken of, in addition to the criteria explained above, the specific characteristics of each post and the dedication which it demands, and also market analyses prepared by specialised independent consultancies. The purpose of all of this

is to fix remuneration that is appropriate for the role performed, and competitive within the marketplace.

Based on the foregoing, the Chief Executive Officer will have fixed gross remuneration of 800,000 euros per year. With regard to the Secretary Director, she will have a fixed gross remuneration of 230,000 euros per year.

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, may review, annually, the amount of the fixed remuneration for the performance of executive duties, in case it needs to be adjusted to take account of the degree of responsibility assumed in the Organisation, the roles performed, professional experience, any market analyses made by external third parties, developments in the Company, or situations in which there is a special need for motivation and retention. If appropriate, such adjustments would be explained in the Annual Report on Directors' Remuneration which, in accordance with Article 541 section 4 of the CCA, would be submitted to a consultative vote of the General Shareholders' Meeting.

3.2 Variable Remuneration

The variable remuneration to be received for the performance of executive duties will have a short-term (annual) component and a medium- and long-term (multiannual) component, and will be paid partly in cash and partly in Company shares. This remuneration is subject to the achievement of objectives which are specific, quantifiable and directly aligned with the interests of the Company, the shareholders and the other stakeholders, in so far as they contribute to the creation of value for the Company. The Board of Directors, after the proposal of the Appointments and Remuneration Committee, will determine the variable remuneration to be paid in accordance with the objectives' achievement level.

In line with the recommendations of the Code of Good Governance, the variable remuneration for the performance of executive duties will be based on (i) predetermined and measurable standards of performance, which will take account of the amount of risk taken to obtain the desired result, (ii) non-financial criteria that are appropriate for the creation of value in the long term, such as compliance with the Company's internal rules and procedures, and with its policies on the control and management of risks, or the Director's personal contribution, (iii) the achievement of short-, medium- and long-term objectives, (iv) the inclusion of objectives linked to the creation of value in the Company, (v) the payment of a significant proportion in the form of Company shares, (vi) the provision that it may be reduced if certain circumstances are evidenced in the report of the external auditor, and (vii) its being subject to restrictions on the transferability of the shares received, to periods of deferment, and to ex-post adjustment clauses.

3.2.1 Short-Term (annual) Variable Remuneration

In line with the recommendations of the Code of Good Governance, the annual Variable Remuneration is designed to provide incentives for the creation of value and sustainability in the Company, by means of the prior setting of objectives that are specific and quantifiable.

The characteristics of the annual Variable Remuneration system, including (i) the levels of remuneration; (ii) the objectives and the metrics for evaluating the degree of their achievement; and (iii) the degree of achievement of the proposed objectives, are determined annually by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, in order to ensure that they are sufficiently demanding in relation to the Company's strategic priorities, needs and business situation.

The main objectives to which the short-term Variable Remuneration is linked will have to be specific economic and financial ones, pre-determined, quantifiable, aligned with the Company's interests in the long run and envisaged in the Group's strategic plans, and with the achievement of individual value-creation objectives. Equally, metrics for evaluating the director's personal contribution may be introduced, as well as other types of objectives which promote the maintenance of those good practices that are linked to sustainability and/or the Company's corporate social responsibility, governance or sustainability.

Based on the foregoing, the executive Directors could be entitled to annual short-term variable remuneration – a bonus – of up to 150% of the fixed remuneration envisaged in section 4.1 above; a lower percentage could be established in view of the roles performed by each Executive Director.

Settlement of the annual variable remuneration will be effected entirely in cash.

3.2.2 Deferred medium- and long-term (multiannual) Variable Remuneration

In view of the provisions of Article 39 of the Bylaws, and in accordance with the recommendations of the Code of Good Governance, part of the variable remuneration for the performance of executive duties will have the following characteristics:

- It will be within a multiannual framework so as to ensure that the evaluation is based on long-term results and takes account of the Group's underlying economic cycle.
- It will be linked to the cession of shares, thus following Recommendation 61 of the Code of Good Governance.

- For the purposes of Recommendation 59 of the Code of Good Governance, and without prejudice to the annual accrual of this medium- and long-term variable remuneration, the minimum period for the receipt of this remuneration will be three years. This ensures that the shares are not received until three years after the moment when the right to receive them was granted. In addition, Executive Directors will have to keep the number of shares whose value is equal to twice their fixed annual remuneration, in accordance with what is stipulated in section 4.2.4 below.

Under these principles, directors who perform executive duties may participate, as beneficiaries, in general and special long-term incentive plans, in which members of the senior management and certain employees of the Group also participate. These plans give entitlement to a specific number of Company shares. Each Plan will have a duration of three years and the shares to which Executive Directors are entitled will only be delivered, where applicable, after three years of the launching of each annual Plan (the "Consolidation Period"). Plans could be launched in an overlapping way over time.

The maximum number of shares to be received as medium- and long-term deferred variable remuneration will be the sum of the following amounts:

- (i) With regard to the long-term general incentive plans, the maximum number of shares that may be received at the end of the Consolidation Period will be equal in value to the amount of the variable annual remuneration earned by the director during the immediately preceding fiscal year at the date of recognition of the objective, or, for those cases where he/she had not been Executive Director for the whole previous year, 100% of the annual variable remuneration established in paragraph 4.2.1 before, divided by the weighted average of the

quoted price of the Company's shares in the thirty trading sessions prior to the date of recognition.

- (ii) With regard to the long-term special incentive plans, the maximum number of shares that may be received at the end of the Consolidation Period will be equal in value to 75% of the fixed remuneration, envisaged in section 4.1 above, and which the executive director had at the time of being included in the said plan, divided by the weighted average of the quoted price of the Company's shares in the thirty trading sessions prior to the date of recognition; a lower percentage could be established in view of the roles performed by each executive Director.

With regard to the said maximum number of shares that may be received by directors for the exercise of executive functions, the number effectively earned, will be conditioned (i) to the maintenance by the executive Director of an active employment or commercial relationship with the Company, throughout the Consolidation Period, without prejudice to the fact that, considering the circumstances concurrent in each case, the Board may agree to the corresponding apportionment, in case of early departure and (ii) to the achievement degree of the objectives set by the Board of Directors, at the time of the approval of the Plan, that will be linked to issues related to the generation of value in the long term for the Company and its shareholders, to criteria of an operational and financial nature connected with the Company's performance during the term of the plans, and/or sustainability, governance or social corporate responsibility issues.

In any case, the Board of Directors will set a minimum degree of achievement of the said objectives, below which the director will not be entitled to receive any deferred medium- or long-term variable remuneration.

The Board of Directors, at the Appointment and Remuneration Committee approval, is entitled to decide, considering the free floating capital of the Company, if the Incentive will be settled in shares, in money or a mixture of the two.

Exceptionally, and in order to shorten the waiting period, Executive directors may be invited as beneficiaries of the Second and/or Third Phases of the General and Special Long-Term Incentive Plans approved by Logista's General Meeting on 21st March, 2017. Similarly, exceptionally, in accordance with the contractual conditions prior to the appointment as Executive Director, and within the framework of his/her incorporation to the Board, additional cash payments linked to the fulfilment of the objectives set out in the medium- and long-term incentive Plans, may be provided for, without exceeding the aggregate maximum limits set out in this paragraph 4.2.2.

3.2.3 Ex-post adjustments to variable remuneration: "malus" and "clawback" clauses

In order to align the Variable Remuneration of the Executive Directors with Recommendation 63 of the Code of Good Governance, it will be possible to cancel payment of the medium- and/or long-term variable remuneration ("malus" clause) or to insist on the return of the remuneration paid during the two years following the settlement and payment both of the short-term variable remuneration and of the deferred medium- and long-term remuneration (the "clawback" clause), and the Company will be able to insist that Executive Directors repay up to 100 per cent of the said Variable Remuneration whenever any of the following circumstances arise:

- When it becomes clear that the settlement and payment of the Variable Remuneration were made entirely or partly on the basis of information

whose falsehood or serious inaccuracy is clearly demonstrated *a posteriori*.

- When there is a material re-formulation of the Group's financial statements, which is considered as such by the external auditors, except when it results from a change in the accounting regulations.
- When an Executive Director has been sanctioned for a serious breach of the Law or the Code of Conduct, or of other internal regulations applying to him or her, whenever the breach damaged the image and reputation of the Logista Group in the eyes of its markets, customers, suppliers or regulators, among others.

The Board of Directors, at the proposal of the Appointments and Remunerations Committee, will decide, when applicable, whether there have been circumstances which should trigger the application of this clause, and if so, the amount of the Variable Remuneration, if any, that should be returned to the Company or companies in the Group.

3.2.4 Obligation to keep Company shares

In accordance with Recommendation 62 of the Code of Good Governance, the incentive plans which the Company approves will include, among the contractual terms and conditions of Executive Directors, that of keeping among their assets the shares which they receive as a result of their participation in plans for deferred medium- and long-term variable remuneration until the value of those shares reaches the equivalent of twice their fixed annual remuneration. Those shares may not be disposed of before they leave their posts.

3.3 Long-term savings schemes

Directors who perform executive duties will participate in Logista's Pension Plan for employees. They will also participate in a Directors' Social Benefits Plan, to which the Group makes contributions based on approximately 10 per cent of the fixed remuneration (in the case of Executive Directors, the amount fixed by their respective contracts, separately from the amount which they receive for their membership of the Board of Directors and for attendance at its meetings) and of each Director's annual Variable Remuneration. Also, exceptionally, and in accordance with the contractual conditions prior to the appointment as executive Director, extraordinary and non-consolidating contributions could be done in favour of the executive Director.

3.4 Remuneration in kind

As part of their remuneration in kind, Executive Directors will receive the following benefits:

- a Company vehicle;
- healthcare insurance;
- life assurance with invalidity and death cover.
- other non-material benefits aligned with those received by senior management.

4. The main terms and conditions of Executive Directors' contracts

- Term: The contracts of Executive Directors will be of indefinite duration while they continue in their capacity of Executive Directors.
- Notice: Twelve months in the case of cessation by a unilateral decision of the Company or of the Chief Executive Officer. This term will be of three months, in the case of the General Secretary.
- Compensation: Pursuant to Article 39 of the Bylaws, Executive Directors may have the right to receive compensation equal to the annual fixed and variable remuneration which, at the time of cessation, they were receiving as Executive Directors, in any of the following situations: (i) unjustified unilateral termination of the contract by the Logista Group; (ii) a serious breach of the obligations contracted by the Logista Group in the corresponding contract for the provision of services; (iii) when a Chief Executive Officer ceases to be the sole Chief Executive Officer; (iv) when the Secretary Director ceases in her functions of General Counsel or Board Secretary; (v) when there is a change of control among Logista's shareholders.
- Confidentiality: The contract will include a clause relating to confidentiality and professional and business secrecy.
- Non-competition: The contract may include a post-contractual non-competition agreement of 12 months' duration. The making of that agreement will be remunerated, the compensation for the restriction of non-competition being equal to the annual fixed and variable remuneration which, at the date of termination of his or her contract, the Executive Director was receiving for the executive duties being performed.

- **Exclusivity:** During the exercise of their role, Executive Directors will not be permitted to provide services, either for their own account or for the accounts of others, and will not be permitted to make employment, commercial or civil contracts for the provision of services to other companies or entities without the express authorisation of the Board of Directors.

5. Civil liability insurance

With regard to liabilities deriving from the performance of executive duties, Executive Directors will also be included in the civil liability policy which covers all the Group's directors.

6. The incorporation of new Directors

If new members join the Board of Directors during the term of this Policy, the remunerative system described in section 3 above will also apply to them.

Also applicable to any Executive Director who joins the Company during the term of this Remuneration Policy will be the remunerative system described in section 4 above, and, when deciding which components of the remunerative system will apply to them, consideration will be given to the functions attributed to them, the responsibilities which they assume, their professional experience, the remuneration in the marketplace for that position, and anything else which the Appointments and Remuneration Committee and the Board of Directors consider should be taken into account, which will be duly reflected in the contract to be signed between the Company and the new Executive Director.

In any case, the remuneration new directors receive will be duly explained in the Annual remuneration report that, according to article 541.4 of the

Companies Act, will be submitted to consultive voting by the Annual Shareholders Meeting.

7. Maximum amount of the directors' remuneration

The maximum amount of the remuneration which the Company's directors as a whole can receive annually will be that which results from adding:

- a) The sum of 1,500,000 euros for the directors as a whole, in their capacity as such, to
- b) The amount corresponding to the maxima for the items indicated above for Executive Directors (fixed remuneration, variable remuneration, long-term savings schemes, remuneration in kind and compensation for termination).

The maximum amounts described under this heading will continue to be applicable throughout the term of this Policy, unless the General Shareholders' Meeting decides to modify them in the future.

8. Implementation of the Policy

Without prejudice to the provisions of the CCA in relation to the remuneration policy for directors, the Company's Board of Directors, after receiving the relevant reports from the Appointments and Remuneration Committee, will adopt, and regularly review, the general principles of the Remuneration Policy, and will be responsible for supervising its implementation. To that end, the Company's Board of Directors will review the principles and procedures contained in this document every year, in order to incorporate or, when appropriate, propose, amendments, adaptations, rules for implementation or regulatory criteria.

9. Term of validity of the Remuneration Policy

In accordance with the provisions of Article 529 novodecies of the CCA, this Remuneration Policy, provided that it is approved by the General Shareholders' Meeting, will be in force during the fiscal years ending on 30th September of 2020, 2021 and 2022, apart from any amendments, adaptations, updating or substitutions which may be agreed upon at any time, which would be submitted for the approval of the Company's General Shareholders' Meeting.