REPORT OF THE AUDIT, CONTROL AND SUSTAINABILITY COMMITTEE ON RELATED PARTY TRANSACTIONS

LOGISTA INTEGRAL, S.A.

2023-2024

1.- LEGAL FRAMEWORK

The Audit Committee, under article 529 quaterdecies, (point 4, letter g) of the Spanish Companies Act has the function of, among others:

> *"g) Report on related party transactions to be approved by the general meeting or by the board of directors, and supervise the internal procedure established by the Company for those whose approval may have been delegated."*

Furthermore, Article 529 duovices of the Companies Act, regulates the related party transaction approval regime under which is required the previous Audit and Control Committee report, without prejudice of the urgent or delegation approval requirements. The Audit and Control Committee's report aims to inform the Board if the transaction is fair and reasonable for the Companies and, if applicable, for the shareholders other than the related shareholders, and to report about the estimations and methodologies used for the transaction valuation in accordance with the Companies Act.

Additionally, it should be noted that, in accordance with Article 529 duovicies.4 of the Companies Act, the Board of Directors, in its meeting of July 22nd, 2021, approved the delegation of the following related party transactions approval to the Chief Executive Officer:

> *"a) Transactions of 1 million euros or under of estimated turnover, between entities of the same Group, in the context of ordinary management and on an arm's length basis*
>
> *b) Transactions arising from standardized contracts applicable to a big number of clients, at rates or tariffs established in general by the supplier, and that do not exceed 0.5 per cent of the net revenues of the Company*
>
> *The Chief Executive Officer will report to the first Audit & Control Committee held after the approval of the transaction of the use of this delegation, in such a way that the Committee may check the fairness and transparency of such transactions, and the compliance with the delegation's requirements."*

Moreover, the Companies Act allows the Chief Executive Officer to approve certain related party transactions under urgent justified circumstances, which shall be ratified during the next Board Directors meeting held.

In this sense, this report informs separately about the FY 2023-2024 related party transactions, distinguishing between: (i) related-party transactions <u>approved and published</u> during such fiscal year and (iii) related-party transactions <u>executed</u> during such period.

2.- RELATED PARTY TRANSACTIONS APPROVED AND PUBLISHED IN 2023-2024

On February 22nd, 2024, and in accordance with the provisions of the Capital Companies Act, the Company published the corresponding "Other Relevant Information" on the website of the CNMV (Spanish Stock Market Commission), where it reported on the related party transactions approved in the twelve months prior to that date, as the thresholds established in article 529 unvicies 1 of the Capital Companies Act had been exceeded. A copy of the relevant fact is attached to this report as an annex.

It is expressly noted that some of these transactions are of a multiannual nature and have therefore not been fully executed during the fiscal year. These are distribution contracts with a duration of more than one year.

3.- RELATED PARTY TRANSATIONS EXECUTED IN 2023-2024

According to the Company's Annual Accounts information, the most significant related-party transactions executed by the Company during the fiscal year 2023-2024, are shown in the table below:

Name or corporate name of the shareholder or of any of its subsidiaries	% Stake	Name or corporate name of the company or subsidiary	Nature of the relationship	Type of transaction and other information required for its assessment	Amount (€ thousand)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the board, if so, has been approved by the board without a majority of independent directors voting against it
Imperial Brands Plc	50.01	ALTADIS SAU	Commercial	Purchase of goods	406.650	Board of Directors	Proprietary Directors appointed at Imperial's proposal	N/A
Imperial Brands Plc	50.01	Imperial Brands Finance PLC	Contractual	Interests (*)	100.999	Board of Directors	Proprietary Directors appointed at Imperial's proposal	N/A
Imperial Brands Plc	50.01	SEITA	Commercial	Purchase of goods	178.477	Board of Directors	Proprietary Directors appointed at Imperial's proposal	N/A
Imperial Brands Plc	50.01	Imperial Brands Italia, Srl	Commercial	Purchase of goods	117.830	Board of Directors	Proprietary Directors appointed at Imperial's proposal	N/A

(*) This amount corresponds to the interests received by the Company under the current reciprocal credit facility agreement with Imperial Brands Finance Plc. The average amounts disbursed during the year under this loan agreement are 2,047,660,431€.

Also, it is expressly declared that the Company maintains ordinary commercial and/or financial relationships with different companies of the Imperial Group, arising in previous financial years. Their scope is described in note 25 of the Consolidated Annual Accounts of the Company.

4.- CONCLUSION

In cases where the related-party transactions were approved by the Board of Directors, when submitting the transaction to the Board and the Audit, Control and Sustainability Committee for its prior report, the proprietary directors related to Imperial Brands Plc abstained from deliberating and voting. In all these transactions, the Audit, Control and Sustainability Committee has issued the mandatory prior report in which it has found that the transaction is fair and reasonable from the point of view of the Company and the shareholders other than the related party.

Likewise, in all the transactions approved by the Chief Executive Director by delegation, the Audit, Control and Sustainability Committee has supervised the internal procedure established by the Company for the related party transaction approval delegation, and has verified fairness and transparency, and the compliance with all the legal requirements.

The members of the Audit, Control and Sustainability Committee unanimously approved this report in its session of November 4th, 2024.

Leganés, November 4th, 2024

The Committee's Secretary

María Echenique Moscoso del Prado

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ANNEX: REPORT OF FEBRUARY 22nd, 2024 TO CNMV (SPANISH STOCK MARKET COMMISSION) ON RELATED PARTY TRANSACTIONS

TO THE NATIONAL SECURITIES MARKET COMMISSION

In compliance with article 227 of the Securities Market and Investment Services Act 6/2023, of March 17, Logista Integral, S.A. (hereinafter, the Company) hereby announces an

OTHER RELEVANT INFORMATION

For the purposes of the provisions of article 529 unvicies of the refunded text of Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July, (hereinafter, "LSC"), the following related party transactions entered into between the Company and its majority shareholder Imperial Brands Plc, or companies of its group (hereinafter, "Imperial" or “Imperial group”) are hereby disclosed, as the estimated aggregate value of such transactions with Imperial group in the last 12 months exceeded 2.5 per cent of the annual turnover, taking as a reference for these purposes the value reflected in the latest consolidated accounts of the Company approved by the General Shareholders Meeting:

1. **Date: 02/02/2024**. Transaction: Contract for the reservation of slots for Imperial tobacco brands in vending machines in Portugal. Counterparty: Imperial Tobacco Portugal SPPLC-Sociedade Unipessoal, Lda. Value: [redacted]

   This transaction was **reported favourably by the Audit, Control and Sustainability Committee, held on 02/02/2024, prior to approval by the Company’s Board of Directors on the same date. The Committee’s report is included as Annex 1.**

2. **Date: 22/02/2024.** Transaction: Interest rate hedging on the Intragroup Loan Facility Agreement (Setting of 3-year fixed interest rate of 2.865% + 0.75% to be applied to first €1 billion of the group's cash surpluses under the intra-group loan agreement with IB) Counterparty: Imperial Brands PLC and Imperial Brands Finance PLC. Value: €1 billion.

   This transaction was **reported favourably by the Audit, Control and Sustainability Committee, held on 02/02/2024, prior to approval by the Company’s Board of Directors on the same date. The Committee’s report is included as Annex 2.**

   It is recalled that, as reported by the Company, the Intragroup Loan Facility Agreement is a reciprocal credit facility agreement between the Company and the above-mentioned counterparties for the lending of surplus cash. The agreement that has been finalized is the setting of a fixed interest rate for a certain amount (EUR 1 billion) of the balance of the loan agreement (EUR 3 billion).

3. **Date: 07/02/2024**. Transaction: Contract for the provision of commercial information services (sell-in) in Portugal. Counterparty: Imperial Tobacco Portugal SPPLC-Sociedade Unipessoal, Lda. Value: [redacted]

Pursuant to the provisions of article 529 duovicies.4 a) of the LSC, and in accordance with the resolution of the Board of Directors on 22/07/2021, delegating to the CEO the approval of related-party transactions carried out between companies of the same group within the scope of ordinary management and under market conditions up to a EUR 1 million, **this transaction was approved by the CEO on 07/02/2024 and will be reported to the first Audit, Control and Sustainability Committee that is held. The CEO's report on this transaction is attached as Annex 3.**

It is noted that above transactions have been considered to be fair and reasonable from the perspective of the Company and its shareholders other than Imperial.

In relation to the transactions reported in points 1 and 3 above, it is expressly stated that, in view of their nature as strictly commercial transactions and in order to protect the interests of the Company as well as competition in the market, confidential commercial information of a sensitive nature taken into account to authorize the transactions is omitted from the aforementioned reports.

In Leganés (Madrid), on 22/02/2024

Logista Integral, S.A.

María Echenique Moscoso del Prado

Secretary Director

ANNEXES

(*) Material business data have been omitted, the publication of which could harm the interests of the Company and market competition.

<u>**ANNEX 1**</u>

REPORT FROM THE AUDIT AND CONTROL COMMITTEE ON RELATED PARTY TRANSACTIONS

TRANSACTION:

Contract of guarantee on the availability of [redacted] slots in tobacco products vending machines

DATE:

2 February 2024

NATURE OF THE TRANSACTION:

Contract for services provision.

LOGISTA GROUP COMPANY PARTICIPATING IN THE TRANSACTION:

MidSid-Sociedade Portuguesa de Distribuiçao, S.A. ("MidSid")

RELATED PARTY AND RELATIONSHIP:

Imperial Tobacco Portugal SPPLC – Sociedade Uniperssoal, Lda. ("Imperial Portugal"), company belonging to Imperial Brands, Plc. group ("Imperial"), control shareholder of Compañía de Distribución Integral Logista Holdings, S.A. (the "Company").

TRANSACTION VALUE:

[redacted]

AUDIT AND CONTROL COMMITTEE ASSESSMENT:

The Audit and Control Committee considers that the transaction is fair and reasonable from the point of view of the Company and its shareholders other than the related party, based on the following assumptions:

1st. The transaction has been negotiated in the ordinary course of Midsid's business.

2nd. The transaction conditions are considered reasonable, as they have been carried out under conditions comparable to those of other similar Midsid contracts currently in force with other operators similar to Imperial Portugal.

3rd. The transaction has been concluded [redacted]

In the course of its ordinary business activities, the Company maintains regular business relationships with major tobacco products' manufacturers, including Imperial. The Company's commercial relationship with Imperial is maintained under conditions similar to those applied to other market operators, under the terms established in the framework agreement of June 12, 2014 "*ITG-Logista Holdings Relationship Framework Agreement*" (hereinafter, the "Framework Agreement"), which was duly communicated in the Prospectus for the offer for sale and admission to trading of Company's shares in 2014, as well as since then in the Company's Annual Corporate Governance Reports.

Among other aspects, under the Framework Agreement, the Company has total management authority and independence to establish and maintain its commercial relations with Imperial and with third parties, primarily attending to the interest of the Company, with strict compliance with the principles of neutrality, non-discrimination and transparency, and also establishing that all related party transactions between the Company and Imperial must be carried out under standard market conditions between two independent operators.

The Audit Committee also considers that, taking into account the characteristics of the market where the Company operates, in which certain tobacco manufacturers have a very relevant aggregated market share, the price data, or data linked to price on the reported related-party transactions are of a very sensitive commercial nature.

In view of this, the Audit Committee considers that safeguarding the interests of the Company requires that the public announcement of this related transaction that, where appropriate, shall be made, by virtue of the provisions of article 529 *unvicies* of the Consolidated Text of the Capital Companies Act, must omit the transaction information with commercial and/or strategic value for the Company, which public disclosure would harm the social interest, insofar as it would reduce its ability to negotiate with other market operators and reveal commercially sensitive information on its transactions.

Notwithstanding the foregoing, the Company has found that the operation has been formalized under market conditions and attending to the contracts that the Company has in force with other operators similar to Imperial.

The Committee considers that this method of comparison is the most appropriate in view of the characteristics of the market concerned, and it has ensured that the related party has not had access to commercially sensitive information from other operators.

On that basis, the Audit and Control Committee has concluded that the transaction is considered fair and reasonable for the Company and its shareholders other than related parties.

THE COMMITTEE REPORTS:

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ANNEX 2

REPORT FROM THE AUDIT, CONTROL AND SUSTAINABILITY COMMITTEE ON RELATED PARTY TRANSACTIONS

TRANSACTION:

INTEREST RATE HEDGING ON THE INTRAGROUP LOAN FACILITY AGREEMENT

DATE:

02/02/2024

NATURE OF THE TRANSACTION

Set a fixed interest rate up to a certain amount of the intra-group loan balance.

Under this transaction, it is proposed to establish a fixed interest rate to be applied to first €1 billion of the group's cash surpluses under the intra-group loan agreement with IB, which comes into effect on 12 June 2024.

The fixed interest rate will be determined by market prices at the time of the agreement and will remain in force for the duration of the intra-group loan agreement, meaning 3 years from 12th June 2024.

IB will pay interest to Logista on a 3-year fixed interest rate plus 0,75% on balances up to €1billion and 6 month Euribor plus 0,75% on balances above €1 billion and up to the limit of the intra-group loan agreement (€3 billion).

This operation has the same result as a SWAP contract offered by a bank. The interest rate hedge protects the Company against the variability of interest rates and therefore its financial income, making its results more predictable and eliminating the risks associated to this variability.

IB is now offering interest rate hedging avoiding the need to apply to a financial institution and keeping the same market conditions.

LOGISTA GROUP COMPANY PARTICIPATING IN THE TRANSACTION:

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. (“the Company”) and COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U. (“Logista”)

RELATED PARTY AND RELATIONSHIP:

IMPERIAL BRANDS FINANCE PLC, an entity belonging to the group of companies of Imperial Brands Plc, controlling shareholder of the Company, and IMPERIAL BRANDS PLC (both referred to as "IB”)

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TRANSACTION VALUE:

The hedging operation by IB is done in market terms, and affects €1 billion from the total of €3 billion of the credit line. With the last fixed market rate (2.46%) the financial income over 1,000 million euros would be 98 million euros during the 3 years of the intragroup loan contract. The rest of the company's financial income will be generated up to €3 billion depending on the evolution of the cash flow and interest rates which are exposed to the evolution of the 6-month forward Euribor plus the margin of 75 basis points.

AUDIT, CONTROL AND SUSTAINABILITY COMMITTEE ASSESSMENT:

In carrying out this analysis, the Audit Committee has had access to similar product offers made by banks.

The Audit Committee considers that the transaction is fair and reasonable from the point of view of the Company and its shareholders other than the related party involved, based on the following assumptions:

1. Logista is interested in interest rate hedging regardless the provider of this hedging.

2. Hedging with IB will be on strict market terms, so there will be no difference in the results obtained with this hedge compared to a SWAP contract with a financial institution.

3. Hedging with IB also has certain advantages:

a) The hedging would be costless compared to the bank price. (1.5-3 bps).

b) It eliminates the risk of a derivative product (SWAP), which could be considered speculative, with unexpected impacts on the income statement.

c) Operations are simplified by not having to conduct periodic Mark-to-Market Tests to ensure that the SWAP contract with the corresponding financial entity is a hedge and not speculative.

d) The hedge is linked to the intra-group loan contract, so that in case of early termination, the hedge is also cancelled and the company is not left with a SWAP contract without the basis of the main contract. (underlying asset)

Bearing in mind that the fixing of interest rates with IB:

(i) Covers the company need to reduce the interest rate risk.

(ii) Generates the same interest and financial results for the company as a SWAP contract with a financial institution, as it is carried out on market terms.

(iii) Eliminates the risk of rating a derivative product, such as a SWAP contract.

(iv) Simplifies operations and eliminates some costs.

the above transaction has been considered to be fair and reasonable from the perspective of the Company and its shareholders other than Imperial.

THE COMMITTEE REPORTS:

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ANNEX 3

MINUTES OF THE DECISIONS TAKEN BY THE CEO OF LOGISTA INTEGRAL S.A.

In Leganés (Madrid), at 10.00 am on 7 February 2024, Mr. Iñigo Meirás Amusco, Chief Executive Officer of Logista Integral, S.A., (the "Company") acting by virtue of the powers granted by the Board of Directors of said company in relation to the approval of related-party transactions, hereby adopts the following:

DECISION

First and only: Approval for the execution of a contract for the provision of commercial information services in Portugal.

MIDSID Sociedade Portuguesa de Distribuiçao, S.A. ("MIDISID") has requested approval to enter into a service contract in Portugal with Imperial Tobacco Portugal SPPLC-Sociedade Unipessoal, Lda. for the provision of commercial information services (sell-in), under the terms and conditions set out in the document attached as **Annex 1** to these minutes. The contract has been agreed with a fixed turnover of [redacted] euros and with a duration until 31 December 2024.

In view of the information contained in the aforementioned Annex 1, it is considered that this contract for the provision of services falls within the scope of MIDISID's ordinary management. In addition, for the valuation of the transaction, the commercial conditions existing with other manufacturers for Portugal for these same services have been taken into consideration, concluding that the transaction has been agreed on market terms, applying the same tariff established for other manufacturers.

Consequently, in view of the amount of the transaction, and given that it is within the limits of the delegation agreement granted by the Board of Directors, the formalisation of the abovementioned contract is approved.

IN WITNESS WHEREOF, the Chief Executive Officer has subscribed these Minutes, in the place and on the date indicated above.

The Chief Executive Officer
LOGISTA INTEGRAL

Íñigo Meirás Amusco

Annex 1 to the decisions taken by the CEO

- Authorization is requested by MidSid-Socidedade Portuguesa de Distribuiçao, S.A (hereinafter, "MidSid" to provide information services Agreement (sell-in) in Portugal to Imperial Tobacco Portugal SPPLC – Sociedade Unipessoal, Lda. (hereinafter, "Imperial Portugal").
- Key points:
  - Duration of activities 1 year.
  - Fixed annual fee of [redacted]
- Contracted Activities:

  The Provision of information services (sell-in) from MidSid to Imperial Portugal has been taking place for more than 7 years and has been formalized trough annual contracts.
- Market conditions:

  MidSid provides similar services only to JTI, as these are the 2 manufacturers that have shown interest in these services. The agreement has been negotiated on the ordinary course of the Company's business, and has been agreed at arm's-length conditions. In this regard, it is stated that the [redacted]