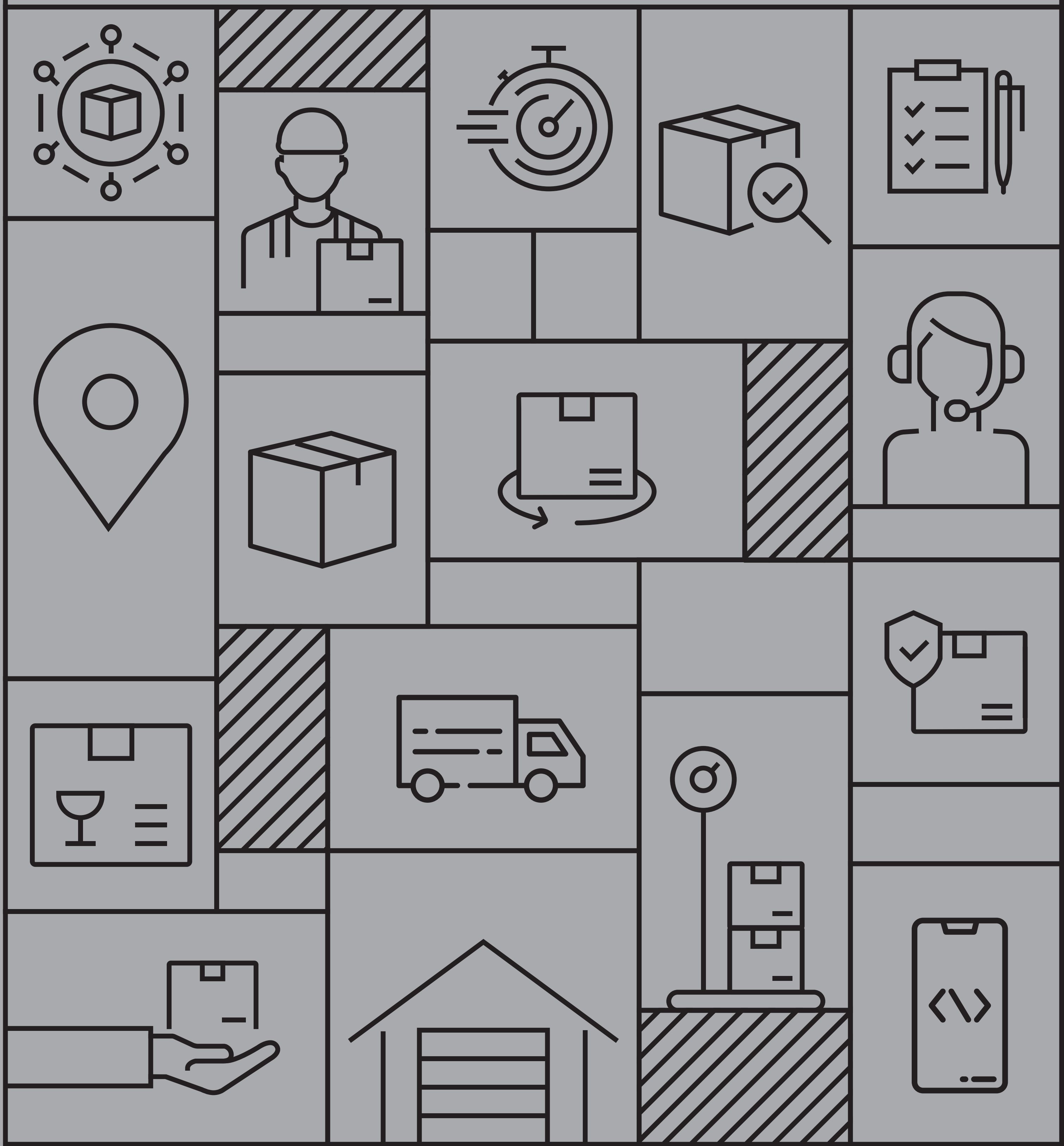
Annual Report on Remuneration of Directors_2020

Logista



ISSUER IDENTIFICATION

YEAR-END DATE: 30/09/2020

TAX IDENTIFICATION No. (C.I.F.): A87008579

COMPANY NAME: Compañía de Distribución Integral Logista Holdings, S.A.

REGISTERED OFFICE: Calle Trigo 39 – Polígono Industrial Polvoranca – 28914 Leganés (Madrid)

Annual Report

Integrated Annual Report

Annual Report on Corporate Governance

Annual Report on Remuneration of Directors

A. The company's remuneration policy for the current financial year

A.1 Explain the current policy on the directors' remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear and specific.

The specific determinations for the year in progress should be described, both the remuneration of directors due to their capacity as such and their remuneration for their performance of executive duties carried out pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

A.1.1 In any event, the following aspects should be reported on, as a minimum:

- **A description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.**
- **Indicate and, where applicable, explain whether comparable companies were taken into account in order to establish the Company's remuneration policy.**
- **Indicate whether any external advisors took part in this process, and if so, indicate their identities.**

It should be noted, first, that during the year 2019-2020 important changes occurred within the Compañía de Distribución Integral Logista Holdings, S.A. (hereinafter, "the Company"), which affected the composition of the Board and the total remuneration earned.

On 27th October, 2019, the until then Chief Executive Officer, Mr. Luis Egido Gálvez, passed away. The Board of Directors, led by its Chairman, then began the process of selecting and appointing the new Chief Executive Officer, which concluded on 19th December, 2019, with the appointment by co-option of Mr. Íñigo Meirás Amusco as new CEO. In addition, in the said Board Meeting the cessation of the Secretary Director, Mr. Rafael de Juan, was effected by a unilateral decision of the Company, and the amount of his severance pay was agreed upon.

Also, the Board of Directors, with a view to ensuring that the people who join the Company are the most talented, and to aligning its policy on remuneration with the trends in the marketplace, considered it appropriate to submit to the General Shareholders' Meeting a new Policy on the Directors' Remuneration, that included the new contractual conditions of Mr. Meirás. Such Policy replaced the one in force as at that moment, which was approved on January 23rd, 2018 ("the 2018 Policy on Remuneration"), and was already explained in previous Reports. The new Policy on Directors Remuneration for fiscal years 2020, 2021 and 2022 ("the Policy" or "the Policy on Remuneration"), was finally presented to and approved by the General Shareholders' Meeting of 24th March, 2020. Also, the said General Shareholders' Meeting, at the proposal of the Board of Directors, agreed to increase the number of Board Members to 12, and in this context, Mrs. María Echenique Moscoso del Prado was appointed as an Executive Director, and Ms. Gelpey and Ms. D'Witt as new proprietary Directors.

Account should therefore be taken of the fact that, notwithstanding what has already been indicated in connection with the remuneration of the new Chief Executive Officer, during the financial year, the 2018 Policy on Remuneration was applied to the payments and settlements of the Company's contractual relationships with the former executive Directors Mr. Luis Egido and Mr. Rafael de Juan, as will be shown below.

In the new Policy on Remuneration, an effort was made to simplify the wording and make it easily understandable, and its content was reviewed, in particular, in relation to the various clauses relating to compensation, non-competition and notice periods for the executive Directors, and certain technical adjustments were also made.

This way, the remuneration of the Company's Directors distinguishes between remuneration received for the performance of non-executive duties and that received for the performance of executive duties.

With regard to their non-executive duties, the Directors receive a fixed remuneration plus attendance allowances.

Remuneration for the performance of executive duties includes: (i) a fixed remuneration (ii) a short-term, annual remuneration in cash and (iii) a long-term (multi-annual) variable remuneration, in shares, through certain shares plans (with three-year Consolidation Periods). Executive Directors also have complementary social benefits linked to retirement and other contingencies, as well as other payments in kind, in line with those received by the Group's management team. In addition, Executive Directors always receive the remuneration to which they are entitled by virtue of their membership of the Board of Directors and their performance of non-executive duties.

The Company was assisted in the legal aspects of the preparation of the 2020 Policy on Remuneration by Gomez Acebo y Pombo Abogados.

The Company was advised by Willis Towers Watson on the composition of the remuneration, in comparison with that in other companies.

A.1.2 The relative importance of variable remuneration items vis-à-vis fixed remuneration (the "remuneration mix") and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the Company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the Company, which will include, if applicable, mention of the measures to guarantee that the long-term results of the Company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the Company and measures to avoid conflict of interest, if applicable.

In addition, state whether the Company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or whether any clause reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have subsequently been clearly shown to be inaccurate, has been agreed.

Only Executive Directors receive variable remuneration.

The system of remuneration for Executive Directors, laid down by the Policy, has the following characteristics:

- Remuneration is assigned for the performance of executive duties.
- The relationship between the fixed and variable components is balanced and efficient.
- The variable remuneration has components of medium and long term, which drive the Directors' strategic performance, as well as a component which rewards the achievement of results in the short term. A suitable proportion of the variable remuneration is linked to (i) medium- and long-term objectives and (ii) the deferred awarding of shares in the Company.
- The system of remuneration is consistent with adequate and efficient risk management and with the Company's strategy, values and long-term interests, and is designed to promote the Company's long-term profitability and sustainability.
- It takes account of market trends and the principles and recommendations of good governance, and it effectively attracts and retains the best professionals.

The Policy on Remuneration is thus designed to generate value in the Group, and seeks an alignment with the interests of the shareholders, with a prudent management of risk and with strict compliance with the current regulations governing the remuneration of directors of listed companies.

The remuneration of Executive Directors is a combination of Fixed Remuneration as a Director, Salary, Short- and Long-Term Variable Remuneration, and in a scenario of standard achievement of objectives, for the Chief Executive Officer approximately 20% of the total remuneration is fixed, and 80% is variable. For the Secretary Director, the proportions would be 50% fixed remuneration and 50% variable.

The objectives within the Executive Directors' variable remuneration system have been set in a way which tries to maintain a suitable balance not only with regard to time (distinguishing between short- and long-term variable remuneration), but also with regard to the actual design of the objectives for each of the two forms of variable remuneration (annual and multi-annual). These objectives are identical to those applied for the senior management.

Thus the annual variable remuneration involves short-term objectives that are operational, economic and financial. However, the multi-annual variable remuneration, which consists of a mechanism to award Company shares, also involves objectives linked to the creation of value for the shareholders (the comparative return to shareholders) and to environmental sustainability, thus specifically considering a long-term approach based on the creation of value in the Company.

It should be noted that, in every case, it is the Board of Directors that determines the degree of achievement of the operational objectives, after the Company's annual accounts have been audited. With regard to sustainability, the objectives have been linked to the achievement of specific amounts of reduction of CO_2 emissions, and to the inclusion or maintenance of a presence in indices of environmental sustainability.

With regard to the deferment of payments, the system of multi-annual variable remuneration has been specifically designed for that purpose. That remuneration, which consists of the awarding of shares, revolves around deliveries of shares which overlap in time. The duration of each consolidation cycle is three years, so that each Executive Director's shares are only handed over three years after the launch of the corresponding cycle.

As another means of minimizing exposure to risk, Executive Directors are obliged to keep, out of the shares awarded to them as long-term incentives, a number equivalent in value to two years' fixed annual remuneration.

Finally, Executive Directors' contracts contain 'malus' clauses which cancel the payment of long-term variable remuneration, and also 'clawback' clauses. Both of these are explained in paragraph A.1.8 below.

A.1.3 The amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

In its meeting of 28th January, 2020, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, and in the general context of the review of the Board's remuneration to adapt it to the new circumstances, approved an increase of 2% in the fixed remuneration of the Board Members in their capacity as such. This increase followed several years in which remuneration had been frozen, and it took account of the related market study undertaken by an external advisor. The increase applied to remuneration earned since that date, so the resulting amounts of remuneration are those shown below:

a) A fixed monthly sum in cash, adapted to the standard in the marketplace, and commensurate with the duties that they perform within the Board and its Committees, as follows:

   i) For the Chairman of the Board, the fixed monthly remuneration is € 30,600.

ii) The fixed monthly remuneration of the Board Members for their membership of the Board of Directors is €5,100.

iii) The fixed monthly remuneration of the Chairman of the Appointments and Remuneration Committee is €1,699.99.

iv) The fixed monthly remuneration of the Chairman of the Audit and Control Committee is €1,699.99.

b) *Per diem* allowances for attendance at meetings:

i) Of the Board of Directors: €2,805 per session.

ii) Of the Appointments and Remuneration Committee: €1,020 per session.

iii) Of the Audit and Control Committee: €1,632 per session.

In line with the recommendations of the Code of Good Governance, Directors, in their capacity as such, are not included in (i) variable remuneration schemes, either in cash, shares, share options, or share-based instruments,(ii) life assurance, neither (iii) long-term savings schemes or other social welfare schemes.

Proprietary External Directors waive to receive any remuneration as Directors of the Company.

The total amount earned by the Directors, in their capacity as such, in the financial year and for the items mentioned, amounts to 1,038,197 euros.

A.1.4 The amount and nature of the fixed components that will accrue in the fiscal year as a result of the performance of senior management functions of executive directors.

The current Executive Directors, for the performance of their executive duties in the Company, earned the following amounts of fixed remuneration, paid in cash and received from the Compañía de Distribución Integral Logista, S.A.U. ("Logista", a wholly-owned subsidiary of the Company):

- Mr. Íñigo Meirás Amusco (Chief Executive Officer): 626,849.32 euros
- Mrs. María Echenique Moscoso del Prado (Secretary Director): 119,726,03 euros

This remuneration reflects the proportion of the fixed remuneration corresponding to the time of actual performance of duties, that fixed remuneration being what was laid down in the contracts of the two directors, namely, 800,000 euros in the case of the Chief Executive Officer, and 230,000 euros in the case of the Secretary Director.

The former Executive Directors earned the following amounts of fixed remuneration:

- Mr. Luis Egido Gálvez (Chief Executive Officer): 77,962.82 euros
- Mr. Rafael de Juan López (Secretary Director): 79,597.26 euros

This remuneration reflects the proportion of the fixed remuneration corresponding to the time of actual performance of duties, which was 696,689 euros, in the case of the former Chief Executive Officer and 309,545, in the case of the Secretary Director.

A.1.5 The amount and nature of any component of remuneration in kind that will be earned in the fiscal year, including, but not restricted to, insurance premiums paid in favour of the director

The Company has taken out a civil liability policy, and pays a global premium covering all Board Members and Directors, both executive and non-executive. Under this policy, Board members are considered to be insured because of the responsibilities that can be attributed to them as a result of their performance of the usual duties attached to their position. The contracts of both the Chief Executive Officer and the Secretary Director envisage that one of the Company's obligations is to have a current insurance policy against civil liability. As the civil liability insurance is provided by a global contract, it is not possible to calculate the proportion of the same that is attributable to the directors as remuneration in kind, but, in any case, the individual amounts are immaterial.

In addition, only Executive Directors have been recognized a package of remuneration in kind similar to that of the Company's management team. In particular, Executive Directors are beneficiaries of life insurance, with an annual premium of 4,677.72 euros, which has been satisfied in proportion to their performance time. This package also includes health care insurance, company vehicle and, with regard to the Secretary Director, also includes luncheon vouchers.

A.1.6 The amount and nature of the variable components, differentiating between those in the short term and those in the long term. The financial and non-financial parameters, including the social, environmental and climate-change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the Company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine, at the end of the year, the degree of compliance with the parameters used in the design of the variable remuneration.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

As explained below, following the reorganization of the Board of Directors that was carried out during this fiscal year, the objectives for the annual variable remuneration were adjusted and a new model of long-term Incentive Plan was launched. These new parameters apply to the new Executive Directors, Mr. Íñigo Meirás and Mrs. María Echenique.

In contrast, the variable remuneration applicable to the former executive directors, Mr. Luis Egido Gálvez and Mr. Rafael de Juan López, was based on the same parameters as those described in the Report on Remuneration relating to the previous fiscal year, to which the Company now refers, highlighting the fact that the termination of contractual relationships with both of those directors occurred in the first quarter of the fiscal year (that of Mr. Egido, due to his death, on 27th October, 2019, and that of Mr. de Juan, due to cessation, on 19th December, 2019).

Thus the variable remuneration of the new Executive Directors, Mr. Íñigo Meirás and Mrs. María Echenique, is governed by the following parameters:

i) Short-Term Variable Remuneration (Annual)

The achievement objectives and their weightings are the same for both, and are as follows:

- Business Objectives: 60% Adjusted EBIT and 15% WC

- Personal Contribution: 25%

Within the range laid down in section 3.2.1 of the Policy on Remuneration, the short-term variable remuneration of the Executive Directors is restricted to 150% of the fixed remuneration, for the Chief Executive Officer, and to 45% of the fixed remuneration, for the Secretary Director.

ii) Long-Term Variable Remuneration

Within the framework of the Policy on Remuneration that was approved by the General Shareholders' Meeting on 24th March, 2020, the Meeting itself agreed to the launching of the "2020 Long-Term Incentive Plan" which consists of both a general long-term incentive plan (the "2020 General Long-Term Incentive Plan") and a special long-term incentive plan (the "2020 Special Long-Term Incentive Plan").

Previously, on 28th January, 2020, the Board of Directors had approved the general structure, aims and beneficiaries of the said Plan, subject to the approval by the General Shareholders' Meeting of the new Policy on Remuneration, and of the Agreement authorising that Plan.

It should be emphasised that, owing to the overlapping at the time of their launching, the second and third consolidation periods of the 2017 General and Special Long-Term Incentive Plans remained in force during 2020, and the 2020 Incentive Plan, that will be accrued from 1st October 2020, once this fiscal year is over, was also launched.

In this regard, and pursuant to the Policy on Remuneration, the Chief Executive Officer has been invited as a beneficiary of the second phase (which expires on 1st October, 2021) and of the third phase (which expires on 1st October, 2022) of the 2017 General and Special Long-Term Incentive Plans, for the maximum amount envisaged in both Plans. The Secretary Director has been invited to participate in the third phase of both Plans. Both Executive Directors have been invited to participate in the 2020 Incentive In the case of Executive Directors joining the Board, the Policy on Remuneration also envisages possible additional payments linked to the achievement of the objectives set in the said Plans. As the Secretary Director was not invited to participate in the second phase of the 2017 General or Special Plans, she is entitled to an exceptional annual gross bonus of a maximum of 64,400 euros, payment of which will be subject to the achievement of the same objectives as those in the Plans, and will be made in December, 2021 and December, 2022. It will not be possible to consolidate these.

The correct functioning of all of these Plans is dependent on the initial recognition of the number of shares that can potentially be consolidated. These can be settled after three years, in accordance with the degree of achievement of the defined objectives.

The various elements that are common to all of the aforementioned Plans are therefore described below.

The Consolidation Objectives for the Second and Third Consolidation Periods of the General Incentive Plan are set out in the Regulations of November 26, 2017, modified on July 23, 2019:

- EBIT: 50%
- Comparable Shareholder Return: 50%

The Consolidation Objectives for the Second and Third Consolidation Periods of the Special Incentive Plan are set out in the Regulations of November 26, 2017, modified on July 23, 2019:

- EBIT: 33%
- Comparable Shareholder Return: 67%

The Consolidation Objectives for the General and Special Incentive Plans 2020, that were approved by the Board of Directors of January 28, 2020, are as follows:

- EBIT: 65%
- Comparable Shareholder Return: 25%
- Sustainability: 10%

Under the Policy on Remuneration, the maximum number of shares that may be received at the end of each three-year consolidation period of the General Plan will be equivalent in value to 100% of the annual variable remuneration earned by each Director during the previous fiscal year (or to 100% of the expected annual variable remuneration when the individual concerned was not an executive director in the previous fiscal year), divided by the weighted average market price of the Company's shares over the thirty trading days before the date of recognition. In each Special Long-Term Incentive Plan, that value is 75% of the fixed remuneration.

Within this framework, the values which determine the number of shares that can be initially recognized as those of the Directors, under the said Plans, are the following:

a) Chief Executive Officer

- General Long-Term Incentive Plan: up to 100% of the short-term variable remuneration received in the previous fiscal year
- Special Long-Term Incentive Plan: up to 75% of the gross fixed salary

b) Secretary Director

- General Long-Term Incentive Plan: up to 100% of the short-term variable remuneration received in the previous fiscal year
- Special Long-Term Incentive Plan: up to 20% of the gross fixed salary

In this connection, the number of shares potentially recognized for each of the two Directors, in each of the Plans, was determined in the Board Meeting of January, 2020. The numbers are as follows:

a) Chief Executive Officer:

- Second Consolidation Period of the 2017 General Long-Term Incentive Plan (expiry on 30/09/21): 53,548
- Second Consolidation Period of the 2017 Special Long-Term Incentive Plan (expiry on 30/09/21): 26,774
- Third Consolidation Period of the 2017 General Long-Term Incentive Plan (expiry on 30/09/22): 57,971
- Third Consolidation Period of the 2017 Special Long-Term Incentive Plan (expiry on 30/09/22): 28,986

b) Secretary Director:

- Third Consolidation Period of the 2017 General Long-Term Incentive Plan (expiry on 30/09/22): 4,444
- Third Consolidation Period of the 2017 Special Long-Term Incentive Plan (expiry on 30/09/22): 2,222

The former executive Directors Mr. Egido and Mr. De Juan, participated in the first, second and third consolidation cycles of the 2017 General and Special Long-Term Incentive Plans. Those Plans were settled as soon as their relationships with the Company were ended, with the amounts shown in section C.1 b) of this report.

A.1.7 The main characteristics of the long-term savings schemes. Among other information, state the contingencies covered by the scheme, whether it is through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution scheme, the benefits to which directors are entitled in the case of defined benefit schemes, the conditions under which financial rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relationship under the terms foreseen between the Company and the director.

State whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short- or long-term performance of the director.

The Executive Directors participate in Logista's Employment Pensions Plan (which applies to Logista's employees generally). It is a defined contribution plan, in which the Company's monthly contributions amount to 6.9% of the regulative salary (the Basic Salary in Logista's Collective Agreement for Level III of the professional category *Mandos* ('Controllers').

The Executive Directors also participate in the Directors' Social Welfare Plan, to which the Group makes contributions calculated on the basis of approximately 10% of the annual Salary and Short-Term Variable Remuneration of each Executive Director.

The contingencies covered are those of Retirement, Permanent Disability and Death, and also that of General Illness, in the case of the Directors' Plan.

The consolidated financial rights resulting from both Plans are consistent with the compensation for termination or early cessation or that deriving from the termination of the contractual relationship, under the terms agreed between the Company and the Director, and are not connected with the achievement of defined objectives, although, for the purposes of Logista's contribution, the Directors' Welfare Plan takes account of the Short-Term Variable Remuneration earned in the previous year.

In accordance with section 3.3 of the Policy on Remuneration, relating to contractual terms and conditions prior to joining the Board, an exceptional contribution of 60,000 euros to the Directors' Welfare Plan has been made in favour of the Secretary Director. This amount cannot be consolidated.

A.1.8 Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relationship under the terms agreed between the Company and the director, whether voluntary resignation by the director or dismissal of the director by the Company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitles the director to any type of remuneration.

No payment of compensation to Directors is foreseen in the event of termination of their duties as such. Compensation is foreseen only in cases of termination of the exercise of any executive duties that they may perform. In this connection, it should be noted that when the new Executive Directors joined the Board, there was a review of the contractual clauses relating to termination, in order to adapt them to the best market practices. The resulting system applicable to the new Executive Directors is the following:

a) Change of control clause: when there is a change of control, the new Executive Directors will be entitled to compensation equivalent to one year's fixed and short-term variable remuneration.

b) Compensation for dismissal: the Chief Executive Officer and the Secretary Director are entitled to receive compensation equivalent to one year's fixed and short-term variable remuneration if either of their relationships is terminated by unfair dismissal.

c) Compensation for a justified unilateral decision of the Director: as well as in a situation of change of control, the Chief Executive Officer will be entitled to compensation equivalent to one year's fixed and short-term variable remuneration if the Company commits a serious and blameworthy breach of its obligations, or if the Chief Executive Officer ceases to be the only Chief Executive Officer in the Company. As regards the Company Secretary, she will be entitled to that same compensation in the event of a serious breach of its obligations by the Company, including the loss of her capacity of Secretary Director or that of General Secretary/Director of Legal Advice.

d) Non-competition clauses: the contract of the Chief Executive Officer includes an agreement on post-contractual non-competition, the term of which is 12 months. This agreement is remunerated, the compensation for the prohibition of competition being one year's fixed and short-term variable remuneration. The Secretary Director's contract does not include a post-contractual non-competition clause.

e) "Malus" and "clawback" clauses: the contracts of the Executive Directors contain "malus" clauses which enable the Company to cancel payments of long-term variable remuneration, and "clawback" clauses to require, in certain situations, and during the two years following its settlement and payment, the return of such remuneration. Those situations, which are defined in the Policy on Remuneration, are the following:

    - Evidence that the settlement and payment of that remuneration were wholly or partially based on information whose falseness or serious inaccuracy were clearly demonstrated a posteriori.

    - A material reformulation of the financial statements when the external auditors consider that necessary (except when the reformulation is due to a modification of accounting standards).

    - A disciplinary sanction of the Executive Director for a serious breach of the Law or Code of Conduct or other applicable internal regulation, if the breach has seriously damaged the image and reputation of the Logista Group or its perception by the markets, customers, suppliers or regulators, among others.

Compensation is also envisaged in cases of breach of notice periods, under the terms explained in section A.1.9 below.

With regard to the former Executive Directors Mr. Luis Egido Gálvez (Chief Executive Officer) and Mr. Rafael de Juan López (Secretary Director), the clauses relating to compensation, in their respective contracts, which complied with the

2018 Policy on Remuneration, remained in force. Those clauses were spelled out in the Annual Report on Remuneration of the previous fiscal year, to which we now refer.

In particular:

- The contract of the Chief Executive Officer envisaged compensation for death, to be received by his heirs.
- The Secretary Director was entitled to compensation on cessation or retirement, equivalent to two years' remuneration (fixed salary and short- and long-term variable remuneration).

Both contractual relationships with LOGISTA were cancelled in accordance with the content of those clauses.

A.1.9 State the conditions to be observed by the contracts of those exercising senior management functions as executive directors. Among other matters, information should be provided about the duration, limits on amounts of severance pay, minimum contract-term clauses, notice periods and payment in lieu of those notice periods, and any other clauses relating to recruitment bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the Company and the executive director. Include, among others, the pacts or agreements on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

On the occasion of the arrival of the new Executive Directors, the content of these contractual clauses was reviewed by the Board of Directors to make sure that they are in line with the best market practices.

The Executive Directors' contracts are of indefinite duration and do not include minimum-term clauses.

The clauses relating to notice are the following:

a) Chief Executive Officer

- Upon a voluntary, unilateral decision by the Chief Executive Officer: a minimum of 12 months' notice, failing which there is an obligation to pay the Company compensation equivalent to the proportion of one year's fixed and short-term variable remuneration that corresponds to period of notice that was lacking.
- Upon an unjustified, unilateral decision by the Company: a minimum of 12 months' notice, failing which there is an obligation to pay the Chief Executive Officer compensation equivalent to the proportion of one year's fixed and short-term variable remuneration that corresponds to period of notice that was lacking.

b) Secretary Director:

- Upon a voluntary, unilateral decision by the Secretary Director: a minimum of three months' notice, failing which there is an obligation to pay the Company compensation equivalent to the proportion of one year's fixed and short-term variable remuneration that corresponds to period of notice that was lacking.
- Upon an unjustified, unilateral decision by the Company: a minimum of three months' notice, failing which there is an obligation to pay the Chief Executive Officer compensation equivalent to the proportion of one year's fixed and short-term variable remuneration that corresponds to period of notice that was lacking.

The contracts of both of the Executive Directors include 'Garden leave' clauses, by virtue of which, if the Director informs the Company of his or her wish to terminate the contractual relationship by his or her own unilateral decision, the

Company can agree to the cessation of the Director's duties and require him or her to stop providing services. In this case the Director will remain in a situation of paid leave until the expiry of the contract.

A.1.10 The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

As at the date of issue of this report, no supplementary remuneration had been accrued by the directors as consideration for services rendered other than those inherent in their posts.

A.1.11 Other remunerative items such as those, if any, resulting from the Company's granting to the director advance payments, loans, guarantees or any other remuneration.

As at the date of issue of this report, no advance payments, credits or guarantees had been granted to any director.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration that will be accrued by directors in the year in progress and that is not included in the sections above, whether payment is satisfied by the Company or another company in the Group.

As at the date of issue of this report, there was no other supplementary remuneration that was not included in the previous sections.

A.2 Explain any significant change in the Policy on Remuneration applicable in the current year and resulting from:

- **A new policy or a modification of the policy already approved by the General Meeting.**
- **Significant changes made by the Board to the current year's Policy on Remuneration compared with that applied in the previous year.**
- **Proposals which the Board of Directors has agreed to present to the General Shareholders' Meeting to which this annual report will be submitted, and which are proposed to be applicable to the current year.**

As already indicated, the current Policy on Remuneration is the one approved by the General Shareholders' Meeting on 24th March, 2020, which will be in force in fiscal years 2020, 2021 and 2022 at the proposal of the Board of Directors, following the specific justificatory report from the Appointments and Remuneration Committee, issued in compliance with Article 529 novodecies 2 of the Capital Companies Act. As stated in the proposal presented to the General Meeting, the current Policy was approved as a replacement for the 2018 Policy on Remuneration, as a consequence of the important changes in the structure of the Company's governance, including those which affect the executive directors. An effort has also been made to simplify its content to make it more easily understandable, as well as to make certain technical adjustments to incorporate certain contractual content which enables the Company to attract and retain the best professional people and to adapt to the best practices. Thus, important modifications have been introduced in relation to compensation for cessation of a contractual relationship and in relation to non-competition clauses, among others, so as to adapt the new system applicable to executive directors to the best practices in corporate governance, to limit their scope, and to homogenise the content of the Executive Directors' contracts.

As already explained, all of this process resulted in an increase of 2% in the fixed remuneration of the Board, and a general review of the remunerative packages of the Executive Directors, in which assistance was given by the external advisors Willis Towers Watson.

The maximum amount of remuneration for Board Members, in their capacity as such, was also fixed, having been adapted to take account of the new number of Board Members approved by the General Meeting (12) and the maximum amount of those Directors' remuneration for their duties.

Concerning potential proposals which the Board of Directors may have agreed to present to the General Shareholders' Meeting to which this annual report will be submitted, and which were proposed to be applicable to the current year, as at the date of issue of this report, there were no such proposals.

A.3 Identify the direct link to the document in which the Company's current Policy on Remuneration appears, and which must be available in the Company's website.

The direct link to the document published in the Company's website, and which shows the Policy on the Remuneration of Directors, in force in the financial year, is the following:

https://www.logista.com/corporate-governance/corporate-policies/en/PoliticaRemuneraciones2020-2022.pdf.

A.4 Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

Not applicable.

B. Overall summary of how the policy on remuneration has been applied during the year ended

B.1 Explain the procedure followed to apply the Policy on Remuneration and to determine the individual remunerations shown in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, if applicable, the identity and the role of the external advisors whose services have been used in the application of the Policy on Remuneration in the year ended.

As explained in section A.1.1., during the year 2019-2020 important changes occurred within the Company, affecting the composition of the Board, and consequently, the total remuneration earned. In this context, the Board of Directors saw fit to update the Policy on Remuneration with a view to ensuring that the most talented people join the Company, and in order to align the Policy with trends in the marketplace.

Concerning the role of the external advisors, the information given in previous sections is repeated here:

(i) In the drawing-up of the new Policy on Remuneration, for the legal aspects, advice was obtained from Gómez Acebo y Pombo Abogados, and for the composition of the remunerative package, from Willis Towers Watson.

(ii) In the drawing-up of the 2020 Long-Term Incentive Plan, external advice was obtained from Willis Towers Watson and from Garrigues Human Resources.

For the settlement of Mr. De Juan's contract and the calculation of his severance pay, advice was obtained from Sagardoy Abogados.

Finally, it is reiterated that all the decisions were taken by the Board of Directors after a favourable report or proposal from theAppointments and Remuneration Committee, and after receiving external legal advice, as explained above.

B.2 Explain the different actions taken by the Company in relation to the remuneration system, and how they have contributed to reducing exposure to excessive risks and to adapting it to the long-term objectives, values and interests of the Company, including a reference to the measures that have been adopted to ensure that the remuneration accrued takes account of the long-term results of the Company and that a suitable balance has been attained between the fixed and variable components of the remuneration. Explain the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the Company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

As explained in section A.1.2, in relation to remuneration for the performance of non-executive duties, it is considered that the establishment of a fixed remuneration plus attendance allowances for all the Board Members is an effective means of reducing exposure to excessive risks and of incorporating a long-term view.

With regard to the performance of executive or delegated duties, as explained in section A.1.2, the measures adopted to eliminate the taking of excessive risks are linked to specific business objectives which were only evaluated once the annual accounts had been formulated and audited, as well as to the existence of malus and clawback clauses and the setting-up of a long-term remuneration plan consisting of the award of shares and including both operational financial objectives and objectives involving creation of value for the shareholders and the maintenance of sustainability. Those measures are complemented by the obligation of each Executive Director to keep the number of the shares awarded under the various remuneration plans that is equivalent in value to two years' fixed remuneration.

Thus, the remuneration of the new Executive Directors has consisted of three main components: (i) a fixed component which is earned in every case, so that it does not involve any exposure to risk (ii) a variable component with a time horizon of one year, linked to specific and measurable business objectives which, being recurrent, avoid the temptation to take excessive risks; this is reinforced by the fact that the evaluation is carried out after the formulation and auditing of the annual accounts, and (iii) a long-term (three-year) variable component which, as already indicated, includes, in addition to objectives that are purely operational, those which involve the creation of value for the shareholders and the maintenance of sustainability.

The measurement of the objectives of value-creation for shareholders and of sustainability is embodied in the reference to the return to shareholders compared with the same return in other listed companies and in the reference to international indices of sustainability, as well as to specific amounts of reduction of CO_2 emissions. In addition, this system has been complemented by the obligation of Executive Directors to keep, during the performance of their duties, a substantial number of shares equivalent in value to twice their fixed annual remuneration.

As has been indicated, among the variable components there is a reasonable balance not only in terms of the time horizon, but also in material terms, because the annual variable remuneration is linked to operational objectives in the pursuit of the Company's various businesses, whereas the multi-annual variable remuneration also attends to the long-term interests of the shareholders and questions of sustainability.

The variable remuneration of the current Executive Directors was determined once the Company's audited accounts had been made available to the Board of Directors. Both the annual variable remuneration and the multi-annual variable remuneration have a system of malus and clawback clauses which operates for the 24 months following accrual.

Settlement of the variable remuneration of the former Chief Executive Officer, Mr. Luis Egido, and of the former Secretary Director, Mr. Rafael de Juan, was made under the terms explained in the next section.

B.3 Explain how the remuneration accrued over the year complies with the provisions contained in the current policy on remuneration.

Report also on the relationship between the remuneration obtained by the directors and the results or other measurements of the Company's performance in the short and long terms, explaining, if applicable, how the variations in the Company's performance have influenced changes in the directors' remuneration, including deferred earnings, and how the latter contribute to the short- and long-term results of the Company.

In this connection, two aspects should be considered:

a) The remuneration of the former Executive Directors, Mr. Luis Egido and Mr. Rafael de Juan, and its settlement, were effected under the terms of the 2018 Policy on Remuneration, which was in force at the time of the termination of their respective relationships with the Company, and of their respective contracts.

b) The remuneration of the current Executive Directors, Mr. Íñigo Meirás Amusco and Mrs. María Echenique Moscoso del Prado, was calculated in accordance with the new Policy on Remuneration and their respective contracts. For that reason, the contract of the Chief Executive Officer, approved by the Board of Directors on 19th December, 2019, was subject to approval by the General Meeting of the new Policy on Remuneration.

In this way, and in relation to the present configuration of the Board's remuneration, it should be noted that the total amount of remuneration earned during fiscal year 2019-2020 does not exceed the maximum amount laid down by the Policy on Remuneration. With regard to the amount of the annual variable remuneration of the current Executive Directors, it was determined as soon as the audited annual accounts had been made available to the Board, it is linked to the changes in the Company's principal indicators as shown in section B.7, and it is therefore consistent with the current Policy on Remuneration. With regard to the multi-annual variable remuneration, the initial determination of the recognized shares, which will be consolidated in the time horizon envisaged in the different Plans in which those directors participate, was carried out in accordance with the parameters and under the terms laid down in section B.8 below.

With regard to the former Executive Directors, given that the commercial relationship which linked Mr. Luis Egido to the Company ended with his death on 27th October, 2019, and that that of Mr. Rafael de Juan ended on 19th December, 2019, by a unilateral decision of the Company, the fixed remuneration of each of them was settled proportionally to their respective periods of duty.

With regard to their annual variable remuneration, and given that at the time of termination the audited accounts of the fiscal year were not available, the Board of Directors judged that it was more appropriate to settle that item by using the amount in 2018-2019 as a basis, and applying to it the proportional part of the period between 1st October, 2019, and the date of termination of each of the commercial relationships. The annual variable remuneration of Mr. Luis Egido was 867,377.8 euros.

Mr. De Juan received severance pay for the cessation of his relationship with the Company under the terms of the Policy on Remuneration that was in force when that relationship was terminated (in December, 2019) and of his contract, about which the Company has given information in previous reports on Remuneration. That severance pay was equivalent to two years' fixed and variable remuneration, for a total amount of 2,336,344.22 euros.

B.4 Report on the result of the consultative vote at the General Shareholders" Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	108,375,519	81.63

	Number	% of cast
Votes against	18,629,255	17.18
Votes in favour	87,779,206	80.99
Abstentions	1,967,058	1.81

Remarks
212 blank votes have been included in votes against

B.5 Explain how the fixed components accrued during the year by the directors in their capacity as such were determined and how they have changed with respect to the previous year.

As already reported, the Company's Board of Directors, in its meeting of 28th January, 2020, decided to update the fixed remuneration of the Board Members, which had been frozen for several years, and, after taking into account the relevant market study by an external advisor, decide to increase it by 2%. The fixed components and attendance allowances of the directors, in their capacity as such, during fiscal year 2018-2019, were the same as in fiscal year 2017-2018.

B.6 Explain how the salaries accrued by each of the executive directors for the performance of management duties over the past financial year were determined, and how they have changed with respect to the previous year.

The fixed remuneration of each of the former Executive Directors, Mr. Luis Egido and Mr. Rafael de Juan, remained without change with respect to the previous year.

As already explained, in the context of the renewal of the Board and the appointment of new Executive Directors, the Board of Directors made a general review of its remunerative system with a view to ensuring both the attraction of talented people to the Company and the system's alignment with standards in the marketplace. In this process it was assisted by Willis Towers Watson.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems in the year ended.

In particular:

- **Identify each of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information about their scope, their date of approval, their date of introduction, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.**

  In the case of share options and other financial instruments, the general characteristics of each plan will include information both about the conditions for acquiring unconditional ownership (consolidation) and about the way to exercise these options or financial instruments, including the price and term for exercising them.

  Each of the directors, together with their category (executive directors, external proprietary directors, external independent directors and other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.

- **If appropriate, information is to be provided about the periods laid down for the accrual or deferment of payment that have been applied and/or the periods of withholding/unavailability of shares or other financial instruments, should they exist.**

Short-term Variable Remuneration (Annual)

Objectives of two different natures are set for Short-Term Variable Remuneration (Annual):

- Business Objectives: 60% Adjusted EBIT and 15% WC
- Personal Contribution: 25%

With respect to the previous financial year, there have been changes in a two-way direction:

- On the one hand, the objective of Return to Shareholder has been abolished, to consider it, given its nature, in long-term remuneration.
- On the other hand, greater weighting has been given to the personal contribution of the executive Directors in the Company's results.

Within the margin set out in the Remuneration Policy (paragraph 3.2.1), the short-term Variable Remuneration of the executive Directors is limited to 150% of the fixed remuneration, for the CEO, and to 45% of the fixed remuneration, for the Secretary Director.

Long-term Variable Remuneration

As previously explained, the Executive Directors participate in the Company's 2017 and 2020 General and Special Plans. The Chief Executive Officer participates in the second and third Consolidation Periods, while the Secretary Director participates only in the third Consolidation Period of both Pans. Both Executive Directors participate in the 2020 Long-Term Incentive Plans.

1. 2017 Long-Term General Incentive Plan

The number of Company shares recognized as belonging to the Chief Executive Officer -which is the maximum number of shares that can be consolidated – for the Second Consolidation Period (2018-2021) was of 53,548, and for the Third Consolidation Period (2019-2022), was of 57,971, and for the Secretary Director, 4,444 shares.

The recognized shares will be consolidated wholly, in part or not at all, on 30th September 2021 (Second Period) and on 30th September 2022 (Third Period).

2. 2017 Long-Term Special Incentive Plan

The number of Company shares recognized as belonging to the Chief Executive Officer -which is the maximum number of shares that can be consolidated – for the Second Consolidation Period (2018-2021) was of 26,774 for the Chief Executive Officer, and for the Third Consolidation Period (2019-2022), was of 28,986,971 for the Chief Executive Officer, and 2,222 for the Secretary Director.

The Consolidation of Shares, in whole, in part or not at all, in the 2017 Plans is subject to the requirements and fulfilment of the objectives set by the Board of Directors of the Company and their respective Regulations.

The Transfer of the Shares that are consolidated will be free of charge, and will be subject to the maintenance and return clauses indicated in section A.1.2 above.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

Not applicable.

B.9 Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefits that are financed, totally or partially, by the Company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the Company and the director.

See Section A.1.7.

B.10 Explain, where appropriate, the severance pay or any other type of payment deriving from early resignation or early dismissal, whether by voluntary resignation by the director or dismissal of the director by the Company, or from the termination of the contract under the terms provided for therein, accrued and/or received by directors during the year ended.

As already explained, on 19th December, 2019, the Board of Directors agreed upon the cessation of the Executive Director Mr. Rafael de Juan López, and that his severance pay would be in accordance with his contract and the 2018 Policy on Remuneration. That severance pay, in accordance with the said Policy, consisted of twice the equivalent of his fixed salary and his short- and long-term variable remuneration. For its settlement, assistance was provided by Sagardoy Abogados.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as Executive Directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with Executive Directors during the year, unless these have already been explained in Section A.1.

See Section A.1.

B.12 Explain any supplementary remuneration accrued by directors as consideration for services rendered that were distinct from those inherent in their posts.

Not applicable (see Sections A.1.10 and A.1.12).

B.13 Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their essential characteristics and any amounts returned, as well as the obligations taken on by way of guarantee or collateral.

Not applicable (see Section A.1.11).

B.14 List the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

The Company has taken out a civil liability policy, and pays a global premium covering all Board Members and Directors, both executive and non-executive. Under this policy, Board members are considered to be insured because of the responsibilities that can be attributed to them as a result of their performance of the usual duties attached to their position. The contracts of both the Chief Executive Officer and the Secretary Director envisage that one of the Company's obligations is to have a current insurance policy against civil liability. As the civil liability insurance is provided by a global contract, it is not possible to calculate the proportion of the same that is attributable to the directors as remuneration in kind, but, in any case, the individual amounts are immaterial.

In addition, only Executive Directors have been recognized a package of remuneration in kind similar to that of the Company's management team. In particular, Executive Directors are beneficiaries of life insurance, with an annual premium of 4,677.72 euros, which has been satisfied in proportion to their performance time. This package also includes health care insurance, company vehicle and, with regard to the Secretary Director, also includes luncheon vouchers, and amounts to:

a) Chief Executive Officer: 21,206.95 euros

b) Secretary Director: 8,881.15 euros

B.15 Explain the remuneration accrued by the director by virtue of payments settled by the listed company to a third company in which the director renders services when those payments seek to remunerate the director's services to the company.

Not applicable.

B.16 Explain any items of remuneration other than those mentioned in the previous sections, whatever their nature and whatever the Group company that settles the payment, particularly when this is a related-party transaction or when its settlement distorts the accurate picture of the total remuneration accrued by the director.

Not applicable.

C. Details of the individual remuneration received by each director

Name	Type	Period of accrual in FY 2020
Gregorio Marañón y Bertrán de Lis	Independent Chairman	01/10/2019 to 30/09/2020
Íñigo Meirás Amusco	Chief Executive Officer	19/12/2019 to 30/09/2020
María Echenique Moscoso del Prado	Executive Director	24/03/2020 to 30/09/2020
Jaime Carvajal Hoyos	Independent Director	01/10/2019 to 02/09/2020
Cristina Garmendia Mendizábal	Independent Director	01/10/2019 to 30/09/2020
Alain Minc	Independent Director	01/10/2019 to 30/09/2020
Pilar Platero Sanz	Independent Director	26/11/2019 to 30/09/2020
John Matthew Downing	Proprietary Director	01/10/2019 to 30/09/2020
Marie Ann D'Wit	Proprietary Director	24/03/2020 to 30/09/2020
Lisa Anne Gelpey	Proprietary Director	24/03/2020 to 30/09/2020
Richard Guy Hathaway	Proprietary Director	01/10/2019 to 30/09/2020
John Michael Jones	Proprietary Director	01/10/2019 to 30/09/2020
Luis Egido Gálvez	Chief Executive Officer	01/10/2019 to 27/10/2019
Rafael de Juan López	Executive Director	01/10/2019 to 19/12/2019

C.1 Complete the following tables showing the individual remuneration of each director accrued during the year (including the remuneration for performing executive duties).

a) Remuneration from the reporting company:

i) Remuneration in cash (in thousands of euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees
Gregorio Marañón y Bertrán de Lis	447	28	10
Íñigo Meirás Amusco	48	22	
María Echenique Moscoso del Prado	36	14	
Jaime Carvajal Hoyos	56	25	8
Cristina Garmendia Mendizábal	61	28	10
Alain Minc	81	28	19
Pilar Platero Sanz	56	25	5
John Matthew Downing			
Marie Ann D'Wit			
Lisa Anne Gelpey			
Richard Guy Hathaway			
John Michael Jones			
Luis Egido Gálvez	5		
Rafael de Juan López	13	5	

Mr. Luis Isasi Fernández de Bobadilla was appointed Independent Director on September 29th 2020 and he accepted his deposition on October 1st 2020, he has not therefore accrued any remuneration during 2019-2020 fiscal year.

Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total FY 2020	Total FY 2019
9					494	482
					70	
					50	
					89	89
					99	105
					128	112
					86	
					5	82
					18	82

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of year		Financial instruments granted at start of year	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares
Íñigo Meirás Amusco	2017 General Shares Plan- 2° Consolidation Period (2018-2021)			53,548	53,548
	2017 General Shares Plan- 3° Consolidation Period (2019-2022)			57,971	57,971
	2017 Special Shares Plan- 2° Consolidation Period (2018-2021)			26,774	26,774
	2017 Special Shares Plan- 3° Consolidation Period (2019-2022)			28,986	28,986
María Echenique Moscoso del Prado	2017 General Shares Plan- 3° Consolidation Period (2019-2022)			4,444	4,444
	2017 Special Shares Plan- 3° Consolidation Period (2019-2022)			2,222	2,222
Luis Egido Gálvez	2017 General and Special Shares Plan- 1° Consolidation Period (2017-2020)	143,988	143,988		
Rafael de Juan López	2017 General and Special Shares Plan- 1° Consolidation Period (2017-2020)	49,872	49,872		

iii) Long-term savings schemes

N/A

iv) Details of other items

N/A

Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of year	
No. of instruments	No. of equivalent shares	Price of the consolidated shares (thousands of €)	Gross profit from shares or consolidated financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
62,981	62,981	118.80	1,188	1,188		
26,707	26,707	551.00	551			

b) Remuneration of the Company's directors for their membership of boards of other Group companies:

i) Remuneration in cash (in thousands of €)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration
Íñigo Meirás Amusco				627	1,164
María Echenique Moscoso del Prado				120	72
Luis Egido Gálvez				78	867
Rafael de Juan López				80	324

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

N/A

iii) Long-term savings schemes

	Savings schemes with consolidated financial rights
Íñigo Meirás Amusco	181
María Echenique Moscoso del Prado	92
Luis Egido Gálvez	79
Rafael de Juan López	33

Long-term variable remuneration	Severance pay	Other grounds	Total FY 2020	Total FY 2019
		21	1,812	
		9	201	
		10	955	1,558
	2,336	670	3,410	672

iv) Details of other items

Name	Item	Amount remunerated
Íñigo Meirás Amusco	Social Benefits	21
María Echenique Moscoso del Prado	Social Benefits	9
Luis Egido Gálvez	Social Benefits	2
Rafael de Juan López	Social Benefits	7

Remarks
Social Benefits include; Life insurance, car, medical insurance, lunch vouchers and fuel.

c) **Summary of remuneration (in thousands of €):**

This should include a summary of the amounts corresponding to all the remunerative items included in this report and which have accrued to each director, in thousands of euros.

	Remuneration accrued in the Company			
Name	**Total remuneration in cash**	**Gross profit from consolidated shares or financial instruments**	**Remuneration from savings schemes**	**Remuneration from other it**
Gregorio Marañón y Bertrán de Lis	494			
Íñigo Meirás Amusco	70			
María Echenique Moscoso del Prado	50			
Jaime Carvajal Hoyos	89			
Cristina Garmendia Mendizábal	99			
Alain Minc	128			
Pilar Platero Sanz	86			
John Matthew Downing				
Marie Ann D'Wit				
Lisa Anne Gelpey				
Richard Guy Hathaway				
John Michael Jones				
Luis Egido Gálvez	5	1,188		
Rafael de Juan López	18	551		
Total	**1,039**	**1,739**		

		Remuneration accrued in Group companies				
ems	Total 2020 Company	Total remuneration in cash	Gross profit from consolidated shares or financial instruments	Remuneration from savings schemes	Remuneration from other items	Total 2020 Group
	494					
	70	1,812		181		1,993
	50	201		92		293
	89					
	99					
	128					
	86					
	1,193	955		79		1,034
	569	3,410		33		3,443
	2,778	**6,378**		**385**		**6,763**

D. Other information of interest

If there are any relevant aspects of directors' remuneration that you have not been able to address in the other sections of this report, but which are necessary to provide more comprehensive and fully reasoned information about the remuneration structure and practices of the Company in relation to its directors, list them briefly.

In line with the Remuneration Policy of the Company approved by its General Shareholders meeting on March 14th 2020, the Shareholders agree to launch the 2020 new long term incentive plan (the "2020 Long Term Incentive Plan"), which it is composed by a general long-term plan (the "2020 General Long-Term Incentive Plan") and a special long-term incentive (the "2020 Special Long-Term Incentive Plan").

Previously, the Board of Directors on January 28th 2020 approved the general structure, targets and beneficiaries of the 2020 Long-Term Incentive Plan, subject to the Shareholders approval of the new Remuneration Policy of the Company and in particular the approval of the mentioned Long-Term Incentive Plan.

This 2020 Long-Term Incentive Plan, which will begin to accrue on October 2020, keeps an operation scheme close to the 2017 Incentive Plan since it is an extension of thereof. The term of the 2020 Long-Term Incentive Plan will be three years, from October 2020 to October 2023, in a single consolidation phase.

The 2020 Long-Term Incentive Plan targets are set for the shares consolidation as follows:

- EBIT:65%
- Comparative cost-effectiveness with other companies: 25%
- Sustainability: 10%

This annual remuneration report was approved by the Board of Directors of the company on 27th October 2020.

State whether any director voted against or abstained from approving this report.

Yes ☐ No ■

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C. del Trigo, 39 - 28914 Leganés (Madrid) Spain www.logista.com