**2021**

# ANNUAL REPORT ON REMUNERATION OF DIRECTORS

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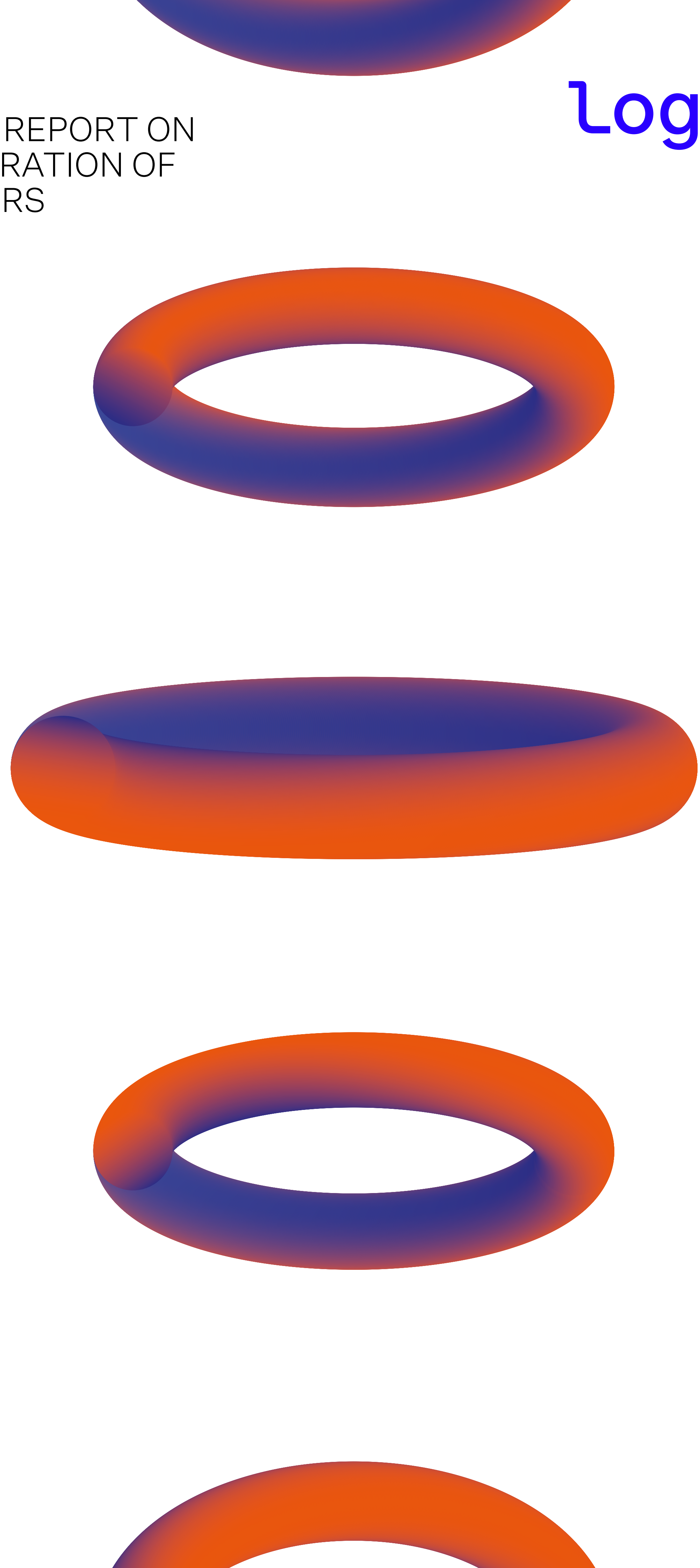

Annual Accounts

Integrated Annual Report

Annual Report on
Corporate Governance

Annual Report on
Remuneration of Directors

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

# ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

## ISSUER IDENTIFICATION DETAILS

YEAR END-DATE: 30/09/2021

TAX ID: A-87008579

COMPANY NAME:

Compañía de Distribución Integral Logista Holdings, S.A.

REGISTERED OFFICE:

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

# A. Remuneration policy of the company for the current financial year

**A.1 Explain the current Director 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, specific and concrete.**

**Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive Directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards Directors' remuneration both in their capacity as such and for executive functions carried out.**

**In any case, the following aspects must be reported, as a minimum:**

- **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 have been taken into account in order to establish the company's remuneration policy.**
- **Information on whether any external advisors took part in this process and, if so, their identity.**

The General Shareholders' Meeting of Compañía de Distribución Integral Logista Holdings, S.A. (hereinafter, "the Company"), held on 4 March 2021, approved a Remuneration Policy 2021-2023 (the "Remuneration Policy 2021-2023" or "the Policy"). It should be noted that, in accordance with the provisions of Transitional Provision 1 of Law 5/2021, of 12 April, which amends the Consolidated Text of the Capital Companies Act, the Board plans to submit a new remuneration policy adapted to the requirements of the new wording of article 529 novodecies of the Capital Companies Act, a policy that the Company has begun to work on for approval by the General Shareholders' Meeting to be probably held in February 2022.

Therefore, this Report refers to the Remuneration Policy 2021-2023, which is the policy in force at the time of approval of this Report. This Policy introduced certain changes to the remuneration policy previously in force, maintaining its structure in general terms, but seeking to simplify it.

It should also be noted that the 2021 General Shareholders' Meeting approved an amendment to the Bylaws, which eliminates the possibility of non-executive directors receiving remuneration in Company shares, and established the possibility of implementing mechanisms to facilitate the removal of executive directors, in line with those established for the Company's senior executives.

Thus, the Remuneration Policy 2021-2023:

- distinguishes between remuneration received for the exercise of non-executive functions and remuneration received for the exercise of executive functions.
- With regard to non-executive functions, directors in their capacity as such receive a fixed remuneration and attendance fees, and the possibility of receiving remuneration in shares has been eliminated in the Bylaws, in accordance with best corporate governance practices.
- Remuneration for the performance of executive duties comprises (i) fixed remuneration, (ii) short-term (annual) variable remuneration in cash, and (iii) long-term (multi-year) variable remuneration in shares, with the structure of the previous incentive plans having been simplified and a single plan implemented, maintaining the three-year vesting periods. The executive Directors also benefit from a supplementary social welfare system, linked to retirement and other contingencies, and other remuneration in kind, in line with that received by the Group's management team. In any case, it should be noted that executive Directors also receive the remuneration that corresponds to their membership of the Board of Directors and the performance of non-executive duties.

In establishing this Policy, the Board has taken into consideration international governance criteria on remuneration: (i) clarity; (ii) simplicity; and (iii) risks management.

- **Clarity:** The Company is committed with transparency and communication with all stakeholders, including shareholders, employees and analysts.

- **Simplicity:** A simple remuneration framework has been chosen, comprising fixed and variable remuneration elements and simplifying the structure of the long-term variable remuneration. This provides a clear vision for both the Company's executive directors and shareholders about the main goals of the entity.
- **Risks Management:** The remuneration structure is aligned with the Company's risk management, and includes clawback and malus clauses.

The Remuneration Policy 2021-2023 was examined and reported on by the Appointments and Remuneration Committee at its meeting of 18 December 2020, before the Board agreed on its proposal to the General Shareholders' Meeting held in February 2021, where it was finally approved. The Company was assisted in the preparation of such Policy, from a legal perspective, by Gómez Acebo y Pombo Abogados. With regard to the aspects of remuneration analysis and mix, and its comparison with other companies, the Company was advised by Willis Tower Watson, which has advised the Company, taking into account the main market references.

In addition, the remuneration for executive and non-executive functions for the 2021-2022 financial year was approved at the meeting of the Board of Directors of the Company on 4 November 2021, following analysis by the Appointments and Remuneration Committee. At that meeting, the Board also set the annual and multi-annual variable remuneration targets for Executive Directors for the following year.

**Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure 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 personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.**

**Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the Director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.**

Only executive directors receive variable remuneration.

The remuneration system for executive Directors established in the Remuneration Policy 2021-2023 has the following characteristics:

- Remuneration is assigned for the performance of executive functions.
- It presents a balanced and efficient relationship between fixed and variable components.
- The variable remuneration has a short-term and long-term component, and is designed to boost the performance of the Directors in strategic and sustainability terms. The long-term, multi-year variable remuneration is structured around a mechanism for the delivery of shares in the Company itself on a deferred basis over time.
- The remuneration system is compatible with appropriate and effective risk management and with the Company's business strategy, values and long-term interests, and is aimed at promoting the long-term profitability and sustainability of the Company.
- It takes into account market trends and good governance principles and recommendations, with the aim of being effective in attracting and retaining the best professionals.

The Policy is, therefore, oriented towards the generation of value in the Group, seeking alignment with the interests of shareholders, with prudent risk management and in compliance with current regulations on the remuneration of Directors of listed companies.

With regard to the balanced relationship between fixed and variable components, these components have been fixed considering the different executive functions that both directors perform in the Company. That is why the remuneration mix for Executive Directors (fixed remuneration as Director, salary, short- and long-term variable remuneration), in a scenario of standard compliance with objectives, for the Chief Executive Officer approximately

20% of total remuneration is fixed and 80% is variable. For the Secretary Director, the distribution would be 48% fixed remuneration and 62% variable remuneration.

Likewise, the determination of the variable remuneration objectives for executive Directors has been designed in an attempt to maintain an appropriate balance not only in terms of time (distinguishing between short and long-term variable remuneration) but also from the perspective of the design of the objectives of each of the two types of variable remuneration (annual and multi-year), as explained below. These objectives are identical to those applied to senior management.

Annual variable remuneration is based on short-term operational, economic or financial objectives. However, long-term variable remuneration, which consists of a mechanism for the delivery of shares in the Company, also addresses objectives linked to the creation of shareholder value (comparative share performance) and environmental sustainability, thus specifically considering a long-term approach and linked to the creation of value in the Company.

In any case, it should be noted that the degree of compliance with the operating objectives is determined by the Board of Directors after the Company's annual accounts have been audited, which makes it possible to take into account, where appropriate, any qualifications that may be made to reduce the amount of variable remuneration. Likewise, the sustainability objectives have been linked to compliance with certain environmental sustainability objectives (reduction of quantified $CO_2$ emissions, inclusion or maintenance of presence in environmental sustainability indexes).

The reduction of exposure to risk has been structured around (i) the establishment of a 3-year remuneration horizon for executive Directors, (ii) the obligation to hold shares and (iii) contractual claw back and malus clauses, in line with that established for the Company's senior management.

With regard to the time horizon, long-term variable remuneration is specifically designed to ensure that the evaluation process considers long-term results, taking into account the underlying economic cycle of the Group. This remuneration, which consists of the delivery of shares, is articulated through share delivery plans that overlap over time. The duration of each of the vesting cycles is 3 years, so that the shares corresponding to Executive Directors are only delivered 3 years after the launch of the corresponding cycle, and once the Board of Directors has determined the objectives achievement degree for each vesting cycle.

Likewise, as an element to minimise exposure to the risk of long-term variable remuneration, the obligation of executive Directors to maintain a package of shares of those delivered in application of the long-term incentives equivalent to 2 years of annual fixed remuneration is foreseen.

Lastly, the contracts of executive Directors have "malus" clauses to cancel the payment of long-term variable remuneration, as well as "clawback" clauses in the terms explained below.

**Amount and nature of fixed components that are due to be accrued during the year by Directors in their capacity as such.**

The remuneration of the directors in their capacity as such consists of a fixed annual allowance and per diems for attending the corresponding meetings. The Board of Directors held on 4 November 2021, at the proposal of the Appointments and Remuneration Committee, agreed to keep unchanged the Directors remuneration in their capacity as such, in a moderation exercise. This way, the resulting remuneration is as follows:

a) Remuneration, in cash, fixed monthly, in line with market standards, based on the positions held on the Board and its Committees, in accordance with the following detail:

  i) The fixed monthly remuneration of the Chair of the Board, in such capacity amounts to €30,600.

  ii) The fixed monthly remuneration of the Directors as members of the Board of Directors amounts to €5,100.

  iii) The fixed monthly remuneration of the Chair of the Appointments and Remuneration Committee, in such capacity, is €1,700.

  iv) The fixed monthly remuneration of the Chair of the Audit and Control Committee, in his/her capacity of such, is €1,700.

b) Per diem for attendance at meetings:

  i) From the Board of Directors: €2,805 per meeting.

  ii) From the Appointments and Remuneration Committee: €1,020 per meeting.

  iii) From the Audit and Control Committee: €1,632 per meeting.

In accordance with the recommendations of the CNMV Code of Good Governance, the directors in their capacity as such do not have (i) variable remuneration systems either in cash, shares or rights over shares, or instruments referenced to the value of the share (ii) life insurance, or (iii) long-term savings systems or other social welfare systems.

The proprietary directors waive the right to receive any remuneration as directors of the Company.

The remuneration for the Chairs (of the Board and of the Committees) is additional to the remuneration as Directors.

The fixed remuneration during the current financial year will therefore amount to 836,400 euros. The remuneration accrued as per diems will depend on the number of meetings of the different bodies of the Board that are finally held.

At the time of determining the amounts of these remunerations, the Board has taken into consideration, besides the specific circumstances of the Company, and the need to attract and retain talent, the information contained in the 2020 CNMV Report on remuneration of listed companies' directors.

**Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive Directors.**

To facilitate the monitoring of this report, it should be noted that the fixed remuneration of executive directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive directors is accrued at the close of the Company's fiscal year (30 September), taking into account the fixed remuneration applicable at that time.

The CEO's fixed remuneration has been set on the basis of the remuneration agreed at the time of his incorporation to the Company in 2019. To determine such amount, the report of Willis Towers Watson was used, which advised the Company in relation to its ability to attract talent, professional experience of the candidate and alignment with the market. Since then, in a containment exercise, there have been very moderate increases, aligned with those applied to the remaining management staff of the Group.

With regard to the Secretary Director, her fixed remuneration was determined at the time of her incorporation to the Company in January 2020, taking into account the Remuneration Policy of Senior Management and the salary band of the Group's senior managers. In this sense, it should be noted that in the incorporation of senior managers, the Company works on the design of an attractive remuneration package, which adequately remunerates their experience and capabilities, but allowing growth within these salary bands. Once this initial fixed remuneration was determined, in the closed year a very moderate increase was applied, in line with that of the general update applied to senior management remuneration, without rising in the salary scale.

The Executive Directors shall receive a fixed remuneration, paid in cash, for the performance of their executive duties in the Company. This remuneration was set at the following amounts for the year 2022 (1 January to 31 December):

- Mr. Íñigo Meirás Amusco (Chief Executive Officer): 828,240 euros
- Mrs. María Echenique Moscoso del Prado (Secretary Director): 238,119 euros

These amounts were fixed at the Board of Directors' meeting of 4 November 2021 and correspond to a 2% increase versus previous salaries.

In order to determine such increase, the Board considered the data contained in specific reports of independent external advisors (Willis Towers Watson's Salary Budget Planning Report for 3Q 2021). The average increase estimation for Spanish Companies according to such report amounts to c. 2,4%. The Board has taken a prudent approach, and even considering the existing uncertainties with regards to inflation rates, it has decided on the above mentioned increase.

**Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the Director.**

Only the executive directors have a remuneration package 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 5,152 euros. This package also includes medical assistance insurance and a company car.

The Company has taken out and pays the global premium corresponding to a Directors' and Executives' civil liability insurance policy that covers all Directors, both executive and non-executive. In this policy, the Directors are considered as insured parties for the liabilities that may be demanded of them as a result of the performance of the activities inherent to their functions. In particular, both the contracts of the Chief Executive Officer and the Secretary Director require the Company to take out a civil liability insurance policy. As the civil liability insurance has been taken out globally, it is not possible to calculate the part of the insurance attributable to the Directors as remuneration in kind, but in any case, its individual amount is not significant.

**Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the Director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.**

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

Variable remuneration metrics are a set of financial and non-financial criteria aligned with key short- and long-term objectives. The financial metrics are based on relevant indicators of the Company's performance and shareholder return, the latter aspect being considered for the purposes of long-term remuneration. Non-financial metrics are a complement aimed at ensuring the Company's sustainability and its commitment with key stakeholders, including employees, suppliers and customers.

As indicated above, only executive directors shall receive variable remuneration, in accordance with the following parameters:

### i) Short-Term Variable Remuneration (Annual)

The compliance objectives and their weighting for the Chief Executive Officer are as follows:

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

The compliance objectives and their weighting for the Secretary Director are as follows:

- Business Objectives: 40% Adjusted EBIT and 10% WC
- Personal Contribution: 50%

Section 3.2.1 of the Remuneration Policy 2021-2023 establishes that the short-term variable remuneration of executive directors may be based on up to 150% of their fixed remuneration, which will be multiplied by the degree of achievement of objectives in the year, with a maximum degree of achievement of up to 120%, although lower percentages may be established depending on the functions performed by the executive directors.

The following criteria, among others, have been used to establish this limit: (i) motivate and reinforce the Company's results, for which it is considered convenient to encourage the over-achievement (ii) promote flexibility, allowing the variable components of remuneration to have space enough for modulation according to the functions carried out by each of the executive directors; and (iii) strengthen competitiveness and attraction. It is important to note that the Company continues to safeguard austerity and risk management, so the limits of short-term variable remuneration have not been extended to 200% of fixed remuneration, a practice that is frequent in the praxis of listed companies.

### ii) Long-Term Variable Remuneration (Multi-year)

Due to their overlap in time, the following Long-Term Incentive Plans remain in force during the 2021-2022 financial year:

- 2017 Long-Term Incentive Plans (General and Special Plans): third vesting cycle, launched in 2019 and vesting in September 2022.
- 2020 Long-Term Incentive Plan (General and Special Plan): with single vesting period, vesting in September 2023, the launch of which was agreed in October 2020 (fiscal year expired 2019-2020; see section B.7 below, which reflects its characteristics).
- 2021-2023 Long-Term Incentive Plan: with three vesting cycles, the first of which was launched in October 2021 and vests in September 2024.

Accordingly, during the current financial year 2021-2022:

- Vesting of the third vesting cycle of the 2017 Long-Term Incentive Plans (General and Special Plans), which expires on 30 September 2022, to which both executive Directors were invited, will occur on 30 September 2022.
- In accordance with the provisions of the Remuneration Policy 2021-2023, which envisages the launch of a single Long-Term Incentive Plan, the Board of Directors on 4 November 2021 agreed to launch the first vesting cycle of the aforementioned Incentive Plan with effect from October 2021, vesting in September 2024. Both executive Directors are beneficiaries of the Plan.

The operation of these Long-Term Incentive Plans is based on the initial recognition of a number of shares with potential for consolidation, which are settled over a period of 3 years, depending on the degree of compliance with defined objectives.

The different objectives and related weights of the Long-Term Incentive Plans that are accrued or launched in the current financial year 2021-2022 are described below:

The objectives for the vesting of the Third Vesting Period of the 2017 General Incentive Plan are set out in the Regulations of 26 November 2017 and subsequent amendments,

- EBIT: 50%
- Comparative profitability with other companies: 50%

The objectives for the consolidation of the Third Consolidation Period of the 2017 Special Incentive Plan are set out in the Regulation of 26 November 2017 and subsequent amendments:

- EBIT: 33%
- Comparative profitability with other companies: 67%

The consolidation objectives of the first cycle of the Long-Term Incentive Plan 2021-2023 are as follows:

- EBIT: 65%
- Comparative profitability with other companies: 25%
- Sustainability objectives: increase in kilometres travelled by the fleet with low-emission vehicles and CDP List maintenance. 10%

When addressing the degree of compliance of the comparative profitability target with other companies, the Board has determined that this comparative has to take into account the evolution of a selected group of companies in the context of the Company's activities, among its main customers and among competitors with similar characteristics (BAT Plc., Deustche Post AG., ID Logistics, Imperial Brands Plc., JTI Inc., McKesson Corp., Philip Morris International, Inc., Stef, S.A., XPO Logistics).

It is also taken into account the evolution of the share price against certain relevant stock indexes attending to the characteristics of the Company (IBEX medium cap index, IBEX top dividend total return index).

The maximum number of shares to be received at the end of the Third Consolidation Period of the General Incentive Plan 2017 (that will consolidate on 30th September 2022) is equivalent to 100% of the amount of the annual variable remuneration accrued by each Director during the previous year (or 100% of the amount of the expected annual variable remuneration, in the event that he/she has not been an executive Director in the previous year), divided by the weighted average listed price of the Company's shares in the thirty trading sessions prior to the date of recognition. This value is 75% of the fixed remuneration in relation to the 2017 Special Long-Term Incentive Plan. In accordance to it, the maximum number of shares to be consolidated at the end of the fiscal year, and subject to the achievement of objectives of each Plan, is as follows:

a) Chief Executive Officer:

- 2017 General Plan: 57,971
- 2017 Special Plan: 28,986

b) Secretary Director:

- 2017 General Plan: 4,444
- 2017 Special Plan: 2,222

With regards to the 2021-2023 Long-Term Incentive Plan, the number of shares to be recognized is 225% of the corresponding fixed remuneration, on the basis of which a percentage is applied to incentivise over-compliance up to 125% of the initial incentive.

**Long Term Incentive Plan 2021-2023:**

a) Chief Executive Officer: 225% of the fixed remuneration, on which targets are applied to encourage over-achievement of up to 125% of the initial incentive.

b) Secretary Director: 65% of the fixed remuneration, on which targets are applied to encourage over-achievement of up to 125% of the initial incentive.

Accordingly, the number of shares potentially recognized in the 2021-2023 Incentive Plan for both Directors was determined at the Board of Directors' meeting held on November 4, 2021 and is as follows:

a) Chief Executive Officer: 98,332 shares

a) Secretary Director: 8,167 shares

As mentioned above, the remuneration parameters have been specifically designed to take into account both the personal performance of the Directors and the short and long-term performance of the Company. As also explained above, the degree of compliance with objectives is not determined until the duly audited annual accounts are available.

Likewise, as an element to minimise exposure to risk, the obligation of Executive Directors to maintain a package of shares of those delivered in application of the long-term incentives equivalent to 2 years' fixed annual remuneration is also envisaged.

In addition, the Remuneration Policy 2021-2023 provides for the possibility, within the framework of the incorporation of executive directors to the Board, of additional payments linked to the achievement of the objectives set out in the long-term remuneration plans. It should be noted that, at the time of the Secretary Director incorporation to the Company (when she did not yet have the status of Director), an extraordinary bonus was included in her contract, which has been maintained, according to these previous contractual commitments and under the aforementioned provisions of the Directors' Remuneration Policy. Such exceptional bonus could reach a maximum of 64,400 euros gross per annum. It will be paid in December 2021 and December 2022, subject to the achievement of the same objectives of the long-term remuneration plans, that will consolidate in September 2021 and September 2022. This extraordinary bonus cannot be consolidated.

**Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which Directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of Directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the Director.**

**Indicate whether the accrual or vesting of any of the long-term savings' plans is linked to the attainment of certain objectives or parameters relating to the Director's short- or long-term performance.**

The executive directors participate in the Group's Employment Pension Plan (generally applicable to Group employees). This Plan is a defined contribution plan and the monthly contributions made by the Company correspond to 6.9% of the regulatory salary (Base Salary of the Logista Collective Bargaining Agreement for Level III of the "Management" professional group).

The executive directors also participate in the Directors' Welfare Plan, in which the Group makes contributions calculated on the basis of a percentage of approximately 10% of the salary and short-term variable annual remuneration of each executive Director.

The contingencies covered are those of retirement, permanent disability and death, and, in addition, those of general illness, in the case of the Social Welfare Plan for Executives.

The vested economic rights derived from both Plans are compatible with the indemnity for termination or early retirement or derived from the contractual relationship, since these plans are not compensatory in nature, but are additional benefits that are part of the annual remuneration to which the Executive Directors have a contractual right. In this line, the amounts contributed by the Company to these plans are included in section C of this report.

Plans are not linked to the achievement of certain objectives, although the Directors' Pension Plan takes into account, for the purposes of Logista's contribution, the short-term variable remuneration accrued in the previous year.

**Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the Director, whether at the company's or the Director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the Director to any kind of remuneration.**

No indemnity payments are envisaged for Directors in the event of termination of their functions as such. Compensation payments are only envisaged in the event of termination in the exercise of the executive functions they may perform, if any. In relation to this aspect, the scheme applicable to executive directors is as follows:

a) Change of control clause: in the event of a change of control, the executive Directors shall be entitled to an indemnity equivalent to 1 year's fixed and short-term variable remuneration.

b) Severance payment: the Chief Executive Officer and the Secretary Director are entitled to receive a severance payment, in the event of termination of the relationship by unilateral decision of the Company without just cause, equivalent to one year's fixed and variable remuneration in the short term.

c) Compensation for justified unilateral decision of the Director: in addition to the event of a change of control, the Chief Executive Officer is entitled to compensation equivalent to one year's fixed and variable remuneration in the short term if the company is in serious and culpable breach of its obligations, or if the Chief Executive Officer ceases to be the sole Chief Executive Officer of the Company. As regards the Secretary Director, she is entitled to the same indemnity in the event of a serious breach by the Company of its obligations, including the loss of the position of Secretary to the Board or General Secretary-Legal Director.

d) Non-competition clauses: the Chief Executive Officer's contract includes a 12-month post-contractual non-competition agreement. This agreement is remunerated, and the compensation for the non-competition restriction is an annuity of fixed remuneration and annual variable remuneration in the short term. With regard to the Secretary Director, after joining the disengagement plan launched by the Company ("Plan 60"), to which we will refer below, she assumes a 12 months non-competition obligation, in the event that her exit from the Company occurs within the framework of the said Plan.

e) "Malus" and "claw back" clauses: the contracts of the executive Directors have "malus" clauses that allow the Company to cancel the payment of long-term variable remuneration, as well as "clawback" clauses to demand the return of both short and long-term remuneration already paid, in certain cases during the 2 years following their settlement and payment. These events are defined in the Remuneration Policy 2021-2023 and are as follows:

- The fact that the settlement and payment of said remuneration has been produced totally or partially on the basis of information whose falsity or serious inaccuracy is clearly proven a posteriori.
- Material restatement with a material adverse impact on the financial statements when so considered by the external auditors (except for changes in accounting standards).
- Sanctioning of the executive Director for serious breach of the Law or the Code of Conduct and other applicable internal regulations, 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 provided for in the event of non-compliance with the notice periods under the terms explained in the following section.

The Board of Directors, at its meeting of September 22nd, 2021, agreed, under the current Remuneration Policy, the implementation of a disengagement plan for Company's top managers ("Plan 60"). The main objective of this Plan is to facilitate the planning of the succession of the Company's key positions, promoting at the same time a very long-term relationship with such managers, and also minimising the financial impacts of any departures of senior managers in the fiscal years in which they occur.

For the design of this scheme, which is a common practice in the market, the Company has made a significant effort to ensure its alignment with these practices and for this it has considered necessary to have independent external advice. To this end, it has selected two advisors of recognized prestige who have participated in the design of the mechanism: Mercer Consulting S.L.U. and J&A Garrigues S.L.P.

Plan 60 is addressed to members of the top management, who will be individually invited, considering the already explained objectives. The Board agreed to invite the Board Secretary by virtue of her capacity of General Counsel and top manager, but not the Chief Executive Officer.

To cover this extraordinary remuneration, the Company will annually make contributions to a deferred life insurance policy, of which the Company itself is the policy holder and beneficiary, quantified in 20% of the Total Annual Remuneration (fixed remuneration plus annual variable remuneration target of 100%) of the Secretary Director. The Secretary Director's right to receive the extraordinary remuneration, which includes the accumulated contributed amounts until that moment and their financial profitability, arises at the time of her disengagement from the Company by mutual agreement from a certain age or in extraordinary circumstances of disability, permanent disability and similar circumstances. The collection of these amounts will be incompatible with the collection of any compensation that the Director may be entitled to receive as a result of the termination of her relationship with the Company. The collection of these amounts includes the acceptance of a contractual non-compete agreement for 12 months.

In accordance with Recommendation 64 of the CNMV Good Governance Code of Listed companies, and that of proxy advisors, the Secretary Director's contract has also been adjusted to include the provision that the total amount of the extraordinary remuneration insured, will not exceed the equivalent of two years of the total annual remuneration of the Secretary Director at the time of accrual of said remuneration.

With regards to the CEO, it should be noted that the amount of compensation he may receive in the event of termination of his contract is already contractually below such limit (1 year of fix and short them variable remuneration in any case of termination plus 1 year of fix and variable annual remuneration for non-compete agreement).

The 2021 Company's contribution to cover its potential obligations vis a vis the Secretary Director under Plan 60 amounts 68,000 Euros, however this amount will only be vested if the Secretary Director's contract is terminated within the framework of the said Plan 60.

**Indicate the conditions that contracts of executive Directors performing senior management functions must contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive Director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.**

In addition to the previous section, the content of the contractual clauses was reviewed by the Board of Directors in the 2019-2020 financial year to bring them into line with best market practices on the occasion of the entry of the new executive directors.

The duration of the contracts of the executive directors is indefinite and does not include permanence clauses.

The notice clauses are as follows:

a) Chief Executive Officer

- By voluntary unilateral decision of the Chief Executive Officer: at least 12 months' notice, with the obligation to pay the Company, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and variable short-term remuneration corresponding to the period of notice not given.
- By unilateral decision without just cause by the Company: at least 12 months' notice, with the obligation to pay the Chief Executive Officer, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and short-term variable remuneration corresponding to the period of notice not given.

b) Secretary Director:

- By voluntary unilateral decision of the Secretary Director: at least 3 months' notice, with the obligation to pay the Company, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and variable short-term remuneration corresponding to the period of notice not given.
- By unilateral decision without just cause by the Company: at least 3 months' notice, with the obligation to pay the Chief Executive Officer, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and short-term variable remuneration corresponding to the period of notice not given.

The contracts of both executive directors include "Garden leave" clauses, by virtue of which, in the event of notification by the director to the Company of the desire to terminate the contractual relationship by unilateral decision of the executive Director, the Company may agree to terminate the director's duties and require him to cease rendering services, in which case he will remain on paid leave until the termination.

**The nature and estimated amount of any other supplementary remuneration that will be accrued by Directors in the current year in consideration for services rendered other than those inherent in their position.**

At the date of issue of this Report, no additional remuneration had accrued to the directors in consideration for services rendered other than those inherent to their position.

**Other items of remuneration such as any deriving from the company's granting the Director advances, loans or guarantees or any other remuneration.**

At the date of issue of this Report, no advances, loans or guarantees have been granted to any director.

**The nature and estimated amount of any other planned supplementary remuneration to be accrued by Directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.**

At the date of issue of this Report, there is no other supplementary remuneration not included in the above sections.

**A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:**

**– A new policy or an amendment to the policy already approved by the General Meeting.**

**– Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.**

**– Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.**

As indicated above, in accordance with Transitional Provision 1 of Law 5/2021, of 12 April, which amends the Consolidated Text of the Capital Companies Act, the Board will submit a new Remuneration Policy adapted to the requirements of the aforementioned Law to the next General Shareholders' Meeting, which is expected to be held in February 2022.

**A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.**

The direct link to the document published on the Company's website, which contains the Remuneration Policy 2021-2023, in force during the financial year, is the following: Remuneration Policy 2021-2023 Logista.com.

**A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative.**

The shareholders gave their support to the Remuneration Report for the 2019-2020 financial year with a percentage of 81.13%. In response to that vote and to proxy advisors' recommendations, in this report, and following a previous analysis of the Appointments and Remuneration Committee, the Board has focused its efforts on increasing the transparency and clarity of the information presented, systematizing the information in the different sections to clearly differentiate the aspects relating to the application of the Remuneration Policy in the current financial year (2021-2022) from its application in the closed financial year (2020-2021), as well as providing additional data and supplementary explanations that allow a better understanding of the application of the Remuneration Policy for the Company's Directors.

In this line, data have been provided on the targets applied for the determination of the amounts to be received by executive directors, under the variable remuneration scheme, in the short and long term, as well as additional explanations on the objectives pursued in the configuration of the limits of the annual variable remuneration.

Likewise, taking into consideration Recommendation 64 of the CNMV Code of Good Governance of listed companies and the reflections of proxy advisors regarding the compensations, the Company has decided to improve the explanations regarding the compensations set for the CEO and the Secretary Director, which in no case may exceed the equivalent of two years of total annual remuneration.

# B. Overall summary of how remuneration policy was applied during the year last ended

**B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained 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 the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.**

As stated in section A, during the year 2020-2021 the Remuneration Policy 2021-2023 was submitted for approval by the General Shareholders' Meeting, which, while continuing with the previous policy, consolidates the line of simplification initiated with the previous policy, by simplifying the long-term remuneration scheme. In addition, the possibility was introduced of establishing mechanisms for the removal of executive directors to encourage the retention of talent, the configuration of which, within the general framework designed by the Policy, the Board has been working on, taking into account the best corporate governance practices.

In the performance of these tasks, the Company has relied on external advisors, as follows:

i) In the drafting of the Remuneration Policy 2021 2023, from a legal perspective, Gómez Acebo y Pombo Abogados, as well as Willis Towers Watson, provided advice on package analysis and remuneration mix.

ii) In preparing the 2021-2023 Long-Term Incentive Plan, external advice was provided by Willis Towers Watson and Garrigues Human Resources (Garrigues).

iii) Mercer Consulting S.L.U. and J&A Garrigues S.L.P. have advised on the preparation of the Disengagement Plan.

The individual remuneration of the directors in their capacity as such was approved at the Board meeting of 27 October 2020, at which it was agreed to maintain unchanged the amounts that had been received until then. This decision was preceded by the corresponding meeting of the Appointments and Remuneration Committee.

At that same meeting, it was agreed to update the fixed remuneration of the executive Directors for the performance of executive duties, as well as the settlement of their variable remuneration for the previous year. Said settlement therefore took place when the annual accounts for the 2019-2020 financial year were drawn up, which did not contain any qualifications by the external auditor.

**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 aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued and that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.**

The remuneration scheme applied by the Company configures the remuneration of directors in their capacity as such and that of Directors in the exercise of executive functions differently.

The Appointments and Remuneration Committee has followed a formal and transparent procedure to propose the design of the Remuneration Policy, as well as to propose the remuneration packages of directors. No executive director has participated in decisions concerning his/her own remuneration.

With regard to remuneration for the exercise of non-executive functions, the establishment of fixed remuneration and attendance fees for all directors is considered to be an effective instrument for reducing exposure to excessive risks and the incorporation of the long-term vision.

With regard to the exercise of executive or delegated functions, as explained in section A., the measures adopted to eliminate the assumption of excessive risks are linked to the specific business objectives established, which are only evaluated once the annual accounts have been audited and prepared, as well as the existence of malus and claw back clauses, and the establishment of a long-term remuneration plan, consisting of the delivery of shares, which includes both operational economic objectives and objectives for the creation of value for the shareholder and sustainability with a long-term time horizon adjusted to the economic cycles of the Company. This is complemented by the obligation of the executive directors to maintain a number of shares of the shares delivered under the various remuneration plans equivalent to two years of their annual fixed remuneration.

Thus, the remuneration of executive directors is balanced into 3 main components: (i) a fixed component that accrues in any case, so that it does not involve any exposure to risk (ii) a variable component with a time horizon of one year, fundamentally linked to specific and measurable business objectives which, being recurring, prevents it from encouraging the assumption of excessive risks. This is reinforced by the fact that it is evaluated after the annual accounts have been audited and prepared, and (iii) a long-term (multi-year) variable component, which, in addition to operational objectives, takes into account, as mentioned above, shareholder value creation and sustainability objectives.

The measurement of shareholder value creation and sustainability objectives has been objectified through the reference to shareholder profitability compared to other listed companies and reference to international sustainability indices, as well as quantified targets for the reduction of CO2 emissions. In addition, this scheme has been complemented by the obligation of executive Directors to retain a significant package of shares during the performance of their duties, equivalent to twice their annual fixed remuneration.

As indicated above, there is a reasonable balance between the variable components not only in terms of the time horizon, but also in material terms, as the annual variable remuneration tends to meet operating objectives that address the performance of the Company's various businesses, while the multi-year variable remuneration also addresses the long-term interests of shareholders and sustainability issues.

The variable remuneration of the current executive directors was determined once the Board of Directors had the audited accounts of the Company. Both the annual variable remuneration and the multi-year variable remuneration have a "malus" and "claw back" clause system during the 2 years following their settlement and payment.

**B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.**

**Furthermore, report on the relationship between the remuneration obtained by the Directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in Directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.**

With regard to the remuneration of the Board for the exercise of non-executive functions, it should be noted that the total remuneration accrued during the financial year 2020-2021 does not exceed the maximum figure established in the Remuneration Policy 2021-2023.

As regards the amount of the annual variable remuneration of the executive directors, it has been determined once the Board has had the audited annual accounts and is fundamentally linked to the performance of the Company's main indicators as detailed in this section B and, therefore, is consistent with the current Remuneration Policy 2021-2023. With regard to multi-year variable remuneration, the initial determination of the shares recognized to them, which will be consolidated over the horizon foreseen in the different Plans in which they participate, has been carried out in accordance with the parameters and in the terms established in section B.8 below.

**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, if any:**

| | Number | % of total |
|---|---|---|
| Votes cast | 108,020,882 | 81.372 |

| | Number | % of votes cast |
|---|---|---|
| Votes against | 24,646,290 | 22.8162 |
| Votes in favour | 82,459,258 | 76.3364 |
| Abstentions | 915,334(*) | 0.8472 |

(*) 184 blank votes have been included as abstentions.

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

As mentioned above, the Board decided to maintain the fixed components of the remuneration of the directors in their capacity as such unchanged.

Accordingly, the remuneration received by the directors in their capacity as such was as follows:

a) Remuneration, in cash, fixed monthly, in line with market standards, based on the positions held on the Board and its Committees, in accordance with the following detail:

   i) The fixed monthly remuneration of the Chair of the Board, in such capacity amounts to €30,600.

   ii) The fixed monthly remuneration of the Directors as members of the Board of Directors amounts to €5,100.

   iii) The fixed monthly remuneration of the Chair of the Appointments and Remuneration Committee, in such capacity, is €1,700.

   iv) The fixed monthly remuneration of the Chair of the Audit and Control Committee, in his/her capacity of such, is €1,700.

b) Per diem for attendance at meetings:

   i) From the Board of Directors: €2,805 per meeting.

   ii) From the Appointments and Remuneration Committee: €1,020 per meeting.

   iii) From the Audit and Control Committee: €1,632 per meeting.

In accordance with the recommendations of the CNMV Code of Good Governance Code, the directors in their capacity as such do not have (i) variable remuneration systems either in cash, shares or rights over shares, or instruments referenced to the value of the share (ii) life insurance, or (iii) long-term savings systems or other social welfare systems.

The proprietary directors waive the right to receive any remuneration as directors of the Company.

The remuneration for the Chairs (of the Board and of the Committees) is additional to the remuneration as Directors.

Fixed remuneration over the financial year 2020-2021 therefore amounted to 836,400 euros. The remuneration accrued as per diems amounted to 216,036 euros, so that the total remuneration of the Board for the exercise of non-executive functions remained below the maximum limit for such remuneration established in the Remuneration Policy of 1,600,000 euros.

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

As indicated above, it should be borne in mind that the fixed remuneration of executive directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive directors is accrued and settled at the close of the financial year (30 September of each year), taking into account the fixed remuneration applicable at that time.

For the calendar year 2021, the fixed remuneration of the executive directors was set at 812,000 euros gross per year for the Chief Executive Officer and 233,450 euros gross per year for the Secretary Director, as stated in the Remuneration Policy 2021-2023. Therefore, the accrued amount as fixed salary, for the financial year 21, is of 809,000€, for the CEO, and of 232,587.50€, for the Secretary Director.

In order to determine this remuneration, the remuneration established for executive directors in the 2020-2022 Remuneration Policy was used as a starting point, and was increased very moderately, by 1.5%. This adjustment is the one applicable to the Company's management collective within the range of remuneration adjustment identified by Willis Tower Watson as applicable to similar companies.

For their variable remuneration and other remuneration items, see the following sections.

**B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended,**

**In particular:**

- **Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the Directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.**

- **In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.**

- **Each Director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive Director, external proprietary Director, external independent Director or other external Director).**

- **Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.**

**Explain the short-term variable components of the remuneration systems**

With regard to the short-term (annual) variable remuneration for the period 2020-2021, of which only the executive directors are beneficiaries, it should be noted that the Board of Directors carried out a review of these objectives in order to bring them into line with best market practices, a process in which external advice was sought. As a result, no changes were made to the objectives for the annual variable remuneration of the Chief Executive Officer, as it was confirmed that they were in line with these practices. However, in the case of the Secretary Director, in view of the nature of the functions she performs, linked to a more corporate sphere, and in line with the remuneration policy of comparable companies, it was considered appropriate to reduce the weight of business objectives and increase the weight of personal contribution to 50%.

By establishing the objectives and goals of the short-term variable remuneration, the Board of Directors seeks that the incentives encourage the material implementation of the Company's strategy, encouraging the over-achievement of objectives. It also intends that the incentives are compatible with the Company's culture on Risk Management.

Thus, the annual objectives were set at the Board of Directors' meeting of 18 December 2020, following a favourable report from the Appointments and Remuneration Committee. These objectives were as follows:

a) Chief Executive Officer:

- Business Objectives: total 75%.
    - 60% Adjusted EBIT
    - 15% WC
- Personal Contribution: 25%

b) Secretary Director:

- Business Objectives: total 50%.
    - Adjusted Ebit 40%
    - WC: 10%
- Personal Contribution: 50%

Within the margin set in the Remuneration Policy 2021-2023 in section 3.2.1, the short-term variable remuneration of the Chief Executive Officer takes as a basis up to 150% of the fixed remuneration which is multiplied by the degree of achievement of objectives reached in the year, with a maximum degree of achievement of 120%. In the case of the Secretary Director, the basis is 45% of the fixed remuneration.

The criteria for measuring the Company's variable remuneration were set out in Appendix III of the Logista Group's Variable Remuneration Policy 1/2011, approved by the Board on 28 April 2011, with successive updates These metrics are designed to align the remuneration of executive directors with the Company's results, introducing mechanisms that encourage over-achievement. Thus, the annual variable remuneration only accrues once 95% of the target objective has been met in the case of business objectives. Once 100% of the target business objective is exceeded, the variable remuneration rewards overachievement with a remuneration that can reach up to 120%.

As indicated above, the variable remuneration of the executive directors is settled annually on 30 September, once the audited annual accounts are available, which guarantees the correct application of the business aggregates.

In view of the foregoing, the degree of achievement of objectives in the year expired was estimated as follows:

**a) Chief Executive Officer**

**Business Objectives:**

- Group's EBIT Objective, with a target of 283 million euros, and an achievement of 301 million euros. This objective has a weight of 65% on variable remuneration, and it will consolidate with an achievement of 112%, as per Group's short-term variable remuneration metrics.
- Group's Working Capital Objective, with a target of 3,123M€ and an achievement of 3,163M€. This objective has a weight of 15% on the total variable remuneration and it will consolidate as per metrics, with an achievement of 102%.

**Personal goals (including environmental sustainability):**

- CEO Personal objectives have a weight of 25% and its achievement degree, approved by the Company's Board of Directors, has been of 100%.

According to this objectives achievement, the amount of the CEO's short-term variable remuneration is of € 1,309,350.

**b) Secretary Director**

**Business Objectives:**

- Group's EBIT Objective, with a target of 283 million euros and an achievement of 301 million euros. This objective has a weight of 40% on variable remuneration, and it will consolidate with an achievement of 112% as per Group's short-term variable remuneration metrics.
- Group's Working Capital Objective, with a target of 3,123M€ and an achievement of 3,163M€. This objective has a weight of 10% on the total variable remuneration and it will consolidates as per metrics, with an achievement of 102%.

**Personal goals (including environmental sustainability):**

- Secretary Director's personal objectives have a weight of 50% and its achievement degree, approved by the Company's Board of Directors, has been of 97%.

According to this objectives achievement, the amount of the Secretary Director's short-term variable remuneration is of 108,729.30 €.

**Explain the long-term variable components of the remuneration systems**

**Long-Term Variable Remuneration**

During the year ended 2020/2021, the second period of the General and Special Plans of the 2017 Long-Term Incentive Plan in which only the Chief Executive Officer participates was consolidated, and the invitation to participate in the General and Special Plans of the 2020 Long-Term Incentive Plan in which both executive directors participate was also launched.

For the design of the new 2021-2023 Incentives Plan, that was approved by the General Shareholders' Meeting held on February 4th, 2021, the Board has taken into consideration governance international criteria in matters related to remuneration, in particular those of (i) simplicity and (ii) risks management.

- Simplicity: a simple remuneration framework has been chosen, which includes a single long-term Incentive Plan, and simplifies the previous structure of two Plans. The Incentive Plan provides a clear vision for both the Company's executive directors and shareholders on the main goals of the entity.
- Risks management: the incentives structure is aligned with the Company risks management, which includes clawback and malus clauses.

**a) Consolidation of the second period of the General and Special Plans 2017**

The Board, at its meeting of November 4, 2021, determined the number of shares vested by the Chief Executive Officer under the second vesting period of the 2017 General and Special Plans, a period in which the Secretary Director does not participate, and whose vesting ended on September 30, 2021. Such shares are as follows:

a) Shares accrued by the Chief Executive Officer under the 2017 General Plan (second vesting period): 22,285 of a maximum of 53,548 shares, which vested 70%.

b) Shares accrued by the Chief Executive Officer under the 2017 Special Plan (second vesting period): 9.551, out of a maximum of 26,774, which vested at 60%.

The criteria used for this consolidation and established by the Board of Directors are as follows:

**General Plan 2017:**

1. Company's Comparative Shareholder Return (CSR) Criteria (50%): Achievement of 40%.
2. Financial profitability criterion, measured by the Logista group's operating profit (50%): Achievement of 100%.

**Special Plan 2017:**

1. Company's Comparative Shareholder Return (CSR) Criteria (67%): achievement of 40%.
2. Financial profitability criterion, measured by the Logista group's operating profit (33%): achievement of 100%.

In any case, it should be noted, as mentioned above, that the determination of the degree of compliance with the operating objectives is made by the Board of Directors after the Company's annual accounts have been audited, which makes it possible to take into account, where appropriate, any qualifications that may be made to reduce the amount of variable remuneration.

The transfer of the shares to be consolidated will be free of charge, and will be subject to the maintenance and return clauses indicated in section A.1.2 above.

In addition, both directors, as mentioned above, were invited to the 2020 General and Special Shares Plans. These Plans, approved by the General Shareholders Meeting held in 2020, have the particularity of covering a single consolidation period, unlike the other long-term incentive plans implemented by the Company, where there are 3 consolidation periods. These 2020 Incentive Plans were configured as a transition to the new model defined in the 2021-2023 Plan, characterized by greater simplicity.

Under 2020 Plans, the Board of Directors' of December 18, 2020 recognized to both directors the following numbers of shares outstanding to vest:

- Mr. Íñigo Meirás Amusco: 80,110 shares initially recognised under the General Plan and 41,294 shares initially recognised under the Special Plan.
- Mrs. María Echenique Moscoso del Prado: 4,977 shares initially recognised under the General Plan and 3,166 shares under the Special Plan.

Both 2020 Plans have the following objectives:

1.- Comparative Shareholder Return Criteria (CRR) of the Company, which compares the profitability of the Company with the profitability of other companies and general indices that constitute the Reference Group ("CRR"), on which the consolidation, in whole, in part or in no part, of twenty-five percent (25%) of the Number of Recognised Shares will depend.

2.- Financial Profitability Criterion, measured by the Group's Operating Profit, on which the consolidation in whole, in part or in full of sixty-five percent (65%) of the number of conditional shares will depend.

3.- Sustainability Criteria, measured by the reduction of CO2 emissions by the Logista Group fleet, as well as the inclusion in the CDP-List, on which the consolidation of all, part or none of the remaining ten percent (10%) of the number of conditional actions will depend.

Lastly, during the year ended 2020/2021 the vesting of the Third Consolidation Period of the General and Special Plans of the 2017 Long-Term Incentive Plan is maintained, the characteristics of which are reflected in section A.1 of this report.

**B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (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 schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the Directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the Director.**

The executive directors participate in the Group's Employment Pension Plan (generally applicable to Group employees). This Plan is a defined contribution plan and the monthly contributions made by the Company correspond to 6.9% of the regulatory salary (Base Salary of the Logista Collective Bargaining Agreement for Level III of the "Management" professional group).

The executive directors also participate in the directors' Welfare Plan, in which the Group makes contributions calculated on the basis of a percentage of approximately 10% of the salary and short-term variable annual remuneration of each executive director.

The contingencies covered are those of retirement, permanent disability and death, and, in addition, those of general illness, in the case of the Executives Plan.

The vested economic rights derived from both Plans are compatible with the indemnity for termination or early retirement or derived from the contractual relationship, under the terms established between the Company and the Director, and are not linked to the achievement of certain objectives, although the Directors' Pension Plan takes into account, for the purposes of Logista's contribution, the short-term variable remuneration accrued in the previous year.

According to this prevision scheme, the Directors' accrued contribution of this financial year are of 215,718€, for the CEO, and 62,596€ for the Secretary Director. The amount for the Secretary Director includes an extraordinary contribution of 25,714.28€, established in her contractual agreement framework.

**B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the Director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by Directors during the year last ended.**

Not applicable

**B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive Directors, and, if so, explain them. 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.**

The Board of Directors' meeting of 22 September 2021 approved the Annex to the contract of the Secretary Director, which regulates her adherence to the Executive Disengagement Plan (Plan 60) with the particularities and main characteristics described in section A of this report.

**B.12 Explain any supplementary remuneration accrued by Directors in consideration of the provision of services other than those inherent in their position.**

Not applicable

**B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.**

Not applicable

**B.14 Itemise the remuneration in kind accrued by the Directors during the year, briefly explaining the nature of the various salary components.**

The Company has taken out and pays the global premium corresponding to a directors' and Executives' civil liability insurance policy that covers all directors, both executive and non-executive. In this policy, the directors are considered as insured parties for the liabilities that may be demanded of them as a result of the performance of the activities inherent to their functions. In particular, both the contracts of the Chief Executive Officer and the Secretary director require the Company to take out a civil liability insurance policy. As the civil liability insurance has been taken out globally, it is not possible to calculate the part of the insurance attributable to the directors as remuneration in kind, but in any case, its individual amount is not significant.

Only the executive directors have a remuneration package in kind similar to that of the Company's management team. In particular, the executive Directors are beneficiaries of life insurance, with an annual premium of 4,677.72 euros. This package also includes medical assistance insurance and company vehicle, amounting to the following amounts:

a) Chief Executive Officer: 40,868.45 euros

b) Secretary Director: 34,995.58 euros

**B.15 Explain the remuneration accrued by any Director by virtue of payments made by the listed company to a third company in which the Director provides services when these payments seek to remunerate the Director's services to the company.**

Not applicable

**B.16 Explain any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the Director.**

As stated in section A, the Board of Directors of September 22, 2021 agreed the inclusion of the Secretary Director in the scheme of the so-called Plan 60, for which coverage the Company has implemented a deferred life insurance. We refer to the explanations given in that section, although it is highlighted that this scheme does not accrue in the year, but when, where appropriate, the termination of the contract takes place by mutual agreement when a certain age is reached, and that the maximum amounts to be received are limited to two years of total fix remuneration. The accrued and non-consolidated amounts, according to the corresponding contribution to the said scheme in the year were of 67,701 euros.

# C. Itemised individual remuneration accrued by each director

| Name | Type | Period of accrual in year 2021 |
|---|---|---|
| Mr. Gregorio Marañón y Bertrán de Lis | Chairman-Independent | From 01/10/2020 to 30/09/2021 |
| Mr. Íñigo Meirás Amusco | CEO | From 01/10/2020 to 30/09/2021 |
| Mrs. María Echenique Moscoso Del Prado | Secretary Director - Executive | From 01/10/2020 to 30/09/2021 |
| Ms. Cristina Garmendia Mendizábal | Director - Independent | From 01/10/2020 to 30/09/2021 |
| Mr. Luis Isasi Fernandez De Bobadilla | Director - Independent | From 01/10/2020 to 30/09/2021 |
| Mr. Alain Minc | Director - Independent | From 01/10/2020 to 30/09/2021 |
| Ms. Pilar Platero Sanz | Director - Independent | From 01/10/2020 to 30/09/2021 |
| Ms. Lillian Alice Blohm | Director - Proprietary | From 06/05/2021 to 30/09/2021 |
| Mr. John Matthew Downing | Director - Proprietary | From 01/10/2020 to 30/09/2021 |
| Ms. Marie D'witt | Director - Proprietary | From 01/10/2020 to 30/09/2021 |
| Ms. Lisa Anne Gelpey | Director – Proprietary | From 01/10/2020 to 01/04/2021 |
| Mr. Richard Guy Hathaway | Director - Proprietary | From 01/10/2020 to 30/09/2021 |
| Mr. John Michael Jones | Director – Proprietary | From 01/10/2020 to 22/07/2021 |
| Mr. Murray Henry Mcgowan | Director - Proprietary | From 23/07/2020 to 30/09/2021 |

**C.1 Complete the following tables regarding the individual remuneration of each Director (including remuneration received for performing executive duties) accrued during the year**

**a) Remuneration from the reporting company:**

**i) Remuneration accruing in cash (thousands of euros)**

| Name | Fixed Remuneration | Per diem allowance | Remuneration for memberships of the board committees | Salary | Shor-term variable remuneration | Long-term variable remuneration | Indemnification | Other Items | Total year 2021 | Total year 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Mr. Gregorio Marañón | 428 | 39 | 20 | | | | | | 487 | 494 |
| Mr. Íñigo Meirás | 61 | 22 | | | | | | | 83 | 70 |
| Mrs. María Echenique | 61 | 22 | | | | | | | 83 | 50 |
| Ms. Cristina Garmendia | 61 | 34 | | | | | | | 95 | 99 |
| Mr. Luis Isasi | 61 | 27 | | | | | | | 88 | 0 |
| Mr. Alain Minc | 61 | 38 | 20 | | | | | | 119 | 128 |
| Ms. Pilar Platero | 61 | 34 | | | | | | | 95 | 86 |
| Ms. Lillian Alice Blohm | | | | | | | | | | |
| Mr. John Matthew Downing | | | | | | | | | | |
| Ms. Marie D'witt | | | | | | | | | | |
| Ms. Lisa Ann Gelpey | | | | | | | | | | |
| Mr. Richard Guy Hathaway | | | | | | | | | | |
| Mr. John Michael Jones | | | | | | | | | | |
| Mr. Murray Henry Mcgowan | | | | | | | | | | |

**Remarks**

It should be noted that, as already explained in section A, the fixed remuneration of executive Directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive Directors is accrued and settled at the close of the Company's fiscal year (30 September), taking into account the fixed remuneration applicable at that time.

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

| Name | Name of Plan | Financial Instruments at start of the year | | Financial Instruments grating during the year | |
|---|---|---|---|---|---|
| | | No. of instruments | No. of Equivalent shares | No. of instruments | No. of equivalent shares |
| Mr. Íñigo Meiras | "2017 Long Term Incentive Plan (General and Special Plans)" 2PC | 80,322 | 80,322 | | |
| | "2017 Long Term Incentive Plan" (General and Special Plans)Third Period of consolidation | 86,957 | 86,957 | | |
| | "2020 Long Term Incentive Plan" (General and Special Plans) | | | 121,404 | 121,404 |
| Mrs. María Echenique | "2017 Long Term Incentive Plan" (General and Special Plans) 2PC | | | | |
| | "2017 Long Term Incentive Plan" (General and Special Plans)Third Period of consolidation | 6,666 | 6,666 | | |
| | "2020 Long Term Incentive Plan" (General and Special Plans) | | | 8,143 | 8,143 |

**iii) Long-term savings schemes**

Not applicable

**iv) Details of other items**

Not applicable

| Financial Instruments vested during the year | | | | Instruments matured but not exercised | Financial Instruments at end of the year | |
|---|---|---|---|---|---|---|
| No. of instruments | No. of equivalent/ vested shares | Price of Vested shares | Gross profit from vested shares or financial instruments (thousands of euros) | No. of instruments | No. of instruments | No. of equivalent shares |
| 31,836 | 31,836 | 18.21 | 580 | | | |
| | | | | | 86,957 | 86,957 |
| | | | | | 121,404 | 121,404 |
| | | | | | | |
| | | | | | 6,666 | 6,666 |
| | | | | | 8,143 | 8,143 |

### b) Remuneration of company directors for seats on the boards of other group companies(*)

#### i) Remuneration accruing in cash (thousands of euros)

| Name | Fixed Remune-ration | Per diem allowan-ces | Remune-ration on for mem-berships of board commit-tees | Salary | Short Term Variable Remune-ration | Long Term Variable Remune-ration | Indemni-fication | Other Items | Total year 2021 | Total year 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Mr. Íñigo Meirás | | | | 809 | 1,309 | | | | 2,118 | 1,812 |
| Mrs. María Echenique | | | | 233 | 109 | | | | 342 | 201 |

**Remarks**

This table includes the remuneration received in the exercise of executive functions, which is paid through Compañía de Distribución Integral Logista, S.A.U., 100% subsidiary of the Company.

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

Not applicable

#### iii) Long-term savings schemes

| Director | Remuneration for the vested rights of savings schemes |
|---|---|
| Mr. Íñigo Meirás Amusco | 216 |
| Mrs. María Echenique Moscoso del Prado | 63 |

| Name | Contribution for the year by the company (thousands of euros) | | | | Amount of accrued funds (thousands of euros) | | | |
|---|---|---|---|---|---|---|---|---|
| | Savings schemes with vested economic rights | | Savings schemes with non-vested economic rights | | Year 2021 | | Year 2020 | |
| | Year 2021 | Year 2020 | Year 2021 | Year 2020 | Schemes with vested economic rights | Schemes with non-vested economic rights | Schemes with vested economic rights | Schemes with non-vested economic rights |
| Mr. Íñigo Meirás | 216 | 181 | | | 398 | | 181 | |
| Mrs. María Echenique | 63 | 92 | | | 156 | | 92 | |

#### iv) Details of other items

| Name | Item | Amount of remuneration |
|---|---|---|
| Mr. Íñigo Meirás | Social Welfare Systems | 41 |
| Mrs. María Echenique | Social Welfare Systems | 35 |

**c) Summary of remuneration (thousands of euros):**

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each Director, in thousands of euros.

| | Remuneration accruing in the Company | | | | | Remuneration accruing in group companies | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name | Total cash remuneration | Gross profit from vested shares or financial instruments | Remuneration from savings schemes | Other items of remuneration | Total in year 2021, company | Total cash remuneration | Gross profit from vested shares or financial instruments | Remuneration from savings schemes | Other items of remuneration | Total in year 2021, group |
| Mr. Gregorio Marañón | 487 | | | | 487 | | | | | 0 |
| Mr. Íñigo Meirás | 83 | 580 | | | 663 | 2,118 | | 216 | 41 | 2,375 |
| Mrs. María Echenique | 83 | | | | 83 | 342 | | 63 | 35 | 440 |
| Ms. Cristina Garmendia | 95 | | | | 95 | | | | | 0 |
| Mr. Luis Isasi | 88 | | | | 88 | | | | | 0 |
| Mr. Alain Minc | 119 | | | | 119 | | | | | 0 |
| Ms. Pilar Platero | 95 | | | | 95 | | | | | 0 |
| Ms. Lillian Alice Blohm | | | | | | | | | | |
| Mr. John Matthew Downing | | | | | | | | | | |
| Ms. Marie D'witt | | | | | | | | | | |
| Ms. Lisa Ann Gelpey | | | | | | | | | | |
| Mr. Richard Guy Hathaway | | | | | | | | | | |
| Mr. John Michael Jones | | | | | | | | | | |
| Mr. Murray Henry Mcgowan | | | | | | | | | | |

# D. Other information of interest

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

Please note, that the annual Company's contribution to cover its potential obligations vis a vis the Secretary Director under Plan 60 has been disclosed in section A of this report.

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This annual remuneration report was approved by the Board of Directors of the company in its meeting of November 4th, 2021.

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

Yes No ✕

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