

# BOARD OF DIRECTORS REGULATION

**4 February 2021**

## **PRELIMINARY**

These Regulations for the Board of Directors (the **Regulations**) have been approved by the Board of Directors of Compañía de Distribución Integral Logista Holdings, S.A. (**LOGISTA** or the **Company**), in fulfilment of the provision contained in article 528 of the Consolidating Text of the Capital Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July, which establishes that, in listed public limited companies, the Board of Directors, with a report submitted to the General Shareholders' Meeting, will approve a regulation of internal regime rules and the functioning of the Board itself, in accordance with the law and the Bylaw, which will contain the specific measures aimed to ensure the best administration of the Company

## **CHAPTER I. GENERAL PROVISIONS**

### **Article 1. Aim and Scope of Application**

1. The aim of these Regulations is to determine the principles of action of the Board of Directors of LOGISTA, its basic organisational and operational rules, its rights and obligations and the rules governing the behaviour of its members.
2. Behaviour rules established in these Regulations for Directors will also be applicable - insofar as these are compatible with the specific nature of their posts - to Senior Management within LOGISTA, considered as such, for this purpose, in any event, the Secretary of the Board and Director of Internal Audit.
3. For the purposes of these Regulations, the group of the Company is understood to be formed by LOGISTA and those companies which are in any of the situations envisaged in Article 42 of the Code of Commerce (the **Group**).

### **Article 2. Interpretation**

1. These Regulations are additional to the provisions applicable to the Board of Directors established by current mercantile legislation in force and the By-Laws of LOGISTA, which will prevail in the event of a discrepancy with the provisions of these Regulations.
2. The resolution of any issues regarding the application of these Regulations is a matter for the Board of Directors itself, in accordance with legal and statutory regulations.

### **Article 3. Amendment**

1. These Regulations may only be amended following the request of the Chairman, or of three Directors or of the Audit and Control Committee, with any amendment proposals being accompanied by an explanatory document.
2. Amendment proposals should be reported by the Audit and Control Committee.

3. Approval and amendment of the Regulations require the prior positive vote of two-thirds of the Board's Members.

#### **Article 4. Dissemination**

1. Directors and senior managers, to the extent applicable to them, have the obligation to know, comply with and enforce these Regulations.
2. These Regulations, and as amended from time to time, on LOGISTA website.

### **CHAPTER II. FUNCTIONS AND ACTION OBJECTIVES OF THE BOARD**

#### **Article 5. Functions**

1. It is the Board of Directors' responsibility to carry out all necessary actions for the fulfilment of the social object provided for in the LOGISTA Bylaws, in the context of their forecasts and the applicable legislation.
2. Notwithstanding the representative and implementing powers of the Chairman of the Board and the delegated bodies or persons, as well as the effects on third parties of the powers or delegations directly conferred by the Company, those powers legally or institutionally reserved for the decision of the Board plenary may not be delegated, and neither may those other tasks which are necessary for the correct performance of the general function of supervision, as well as, in particular:
  - a) The evaluation of Directors' performance.
  - b) The policy for information, communication and contacts with shareholders, institutional investors and proxy advisors.
  - c) The Directors selection policy.
  - d) The examination and approval of the Annual Corporate Governance Report, as well as the preparation and approval of the Annual Report on Directors' Remuneration.
  - e) The establishment of the content of LOGISTA's website, in accordance with applicable provisions.
  - f) The approval of the agreements related to issues that must be approved by special majority in accordance with the By-Laws and articles 3.3, 20.2 and 28.3 of these Regulations.
  - g) All other tasks that cannot be delegated by the Board of Directors, by Law or according to the provisions of the By-Laws or these Regulations.

## **Article 6. Aims of the Activities of the Board**

1. The Board of Directors will develop its duties with unity of purpose and independence, and it will treat equally all shareholders in the same position, with the ultimate aim of reaching the corporate aim described in the By-Laws, guided by the corporate interest, understood as the creation of a profitable business that promotes its sustainable success over time, while creating the Company's economic value. Likewise, it will take into consideration other legitimate public and private interests of those involved in the development of corporate activities and, in particular, its workers.
2. To achieve the purpose stated above, the Board of Directors will establish and review the corporate and financial aims of LOGISTA and will agree strategies, plans and policies for its achievement, promoting and supervising management of LOGISTA as well as the achievement of established aims, and guaranteeing the existence of suitable management and organisation, effectively under the supervision of the Board of Directors.
3. The Board of Directors will ensure that in its relationships with interest groups (stakeholders), LOGISTA respects Laws and Regulations, meets its obligations and contracts in good faith, respects commonly accepted uses and good practices in sectors and territories where it operates, maintains professional adequate links with employees, suppliers, clients and other third parties it contracts with, and that it respects ethical duties which should govern a responsible management of the business operation, and any other additional sustainability and social responsibility principles it has accepted voluntarily. In this context, the Board of Directors should strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

## **CHAPTER III. MEMBERS OF THE BOARD**

### **Article 7. Qualitative Membership**

1. Notwithstanding the proposal rights of shareholders, the Board of Directors, exercising its duties of submission to the General Shareholders' Meeting and co-option, will ensure:
  - a) That proprietary and independent Directors constitute an ample majority on the Board of Directors
  - b) That the number of female Directors represent, at least, 40% of the Board members.
  - c) That the number of executive Directors is the minimum required, taking account of the complexity of the group.
  - d) That the percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership

stake of the shareholders they represent and the remainder of the Company's capital.

- e) That the number of Independent Directors is, at least, a third of the total number of Directors.
2. The Board of Directors will ensure that the procedures for selection of its members favour diversity of gender, age, experience and knowledge and do not suffer from implicit bias that could imply any discrimination.

### **Article 8. Quantitative Members**

- 1. The Board of Directors will be formed by the number of Directors determined by the General Shareholders Meeting within the limits set by LOGISTA's By-Laws and the Law.
- 2. The Board will propose a number of Directors to the General Meeting which, in accordance with LOGISTA's changing circumstances is the most suitable number in order to ensure the proper representation and effective participation in and functioning of the Board of Directors.

## **CHAPTER IV. STRUCTURE OF THE BOARD OF DIRECTORS.**

### ***Section 1: Internal Position of the Board of Directors***

#### **Article 9. The Chairman of the Board**

- 1. The Chairman of the Board of Directors will be elected from among the independent Directors, after a report of the Appointment and Remuneration Committee. The Chairman is ultimately responsible for the effective functioning of the Board of Directors. In addition to the authority granted by law, the By-Laws, and the General Shareholders Meeting Regulations, the Chairman will have the following authority:
  - a) To lead, call and chair meetings of the Board of Directors, setting the agenda for meetings and leading discussions and deliberations. Notwithstanding the above, the Chairman is obliged to summon the Board when a third of the Directors request this and include the item requested in the meeting's agenda. When the Chairman had not made a call within one month from that request without justified cause, one third of the Directors of the Board may call the Board by themselves to be held in the corporate domicile.
  - b) To prepare and submit to the Board a schedule of meeting dates and agendas.
  - c) To chair at the General Shareholders Meeting.
  - d) To ensure that the Directors in advance receive sufficient information to deliberate regarding the points on the agenda.

- e) To encourage active participation and discussion by Directors during meetings, ensuring that they may freely adopt positions, and that sufficient time is given to the discussion of strategic issues.
- f) To approve and review refresher programmes for each Director, when circumstances so require.

#### **Article 10. The Vice-Chairman or Vice-Chairmen**

1. The Board, following the request of the Chairman and the report of the Appointment and Remuneration Committee, may appoint one or more Vice-Chairmen from among its independent Board members to temporarily deputise for the Chairman in the event of absence, illness or inability to perform his duties.
2. In the event there are multiple Vice-Chairmen, the Vice-Chairman appointed expressly by the Chairman will deputise for the Chairman and, in his absence, the Vice-Chairman with the oldest appointment will deputise and, in the event of equal appointment periods, the eldest Vice-Chairman will deputise. In the event there were no Vice-Chairmen, the independent Director with the oldest appointment will deputise, unless the Board, in advance or where such circumstance occurs, appoints another Director.

#### **Article 11. The Chief Executive Officer**

1. The Board of Directors may delegate all or part of its faculties to one or more Directors, except the faculties that cannot be delegated by the Law, or as expressly provided in the By-Laws or in these Regulations.
2. The CEO, by delegation of the Board of Directors, will be responsible for the management of LOGISTA, and will hold the highest management and executive faculties of LOGISTA.

#### **Article 12. The Secretary of the Board**

1. The Board of Directors, following a report of the Appointment and Remuneration Committee, will appoint a Secretary who may or may not be a Director. The same procedure will be followed to agree the removal of the Secretary.
2. The Secretary of the Board, as such, will depend exclusively on the Board of Directors and its Chairman.
3. The Secretary of the Board shall perform the faculties legally assigned to the attorney-at-law, if he is qualified as an attorney, when, being this figure, legally mandatory, is designated by the Board of Directors.

#### **Article 13. The Deputy-Secretary of the Board**

1. The Board, following a report of the Appointment and Remuneration Committee, shall appoint a Deputy-Secretary who need not be a Director, to assist the Secretary of the Board of Director or to temporarily replace the Secretary in the event of vacancy, absence or illness. The same procedure will be followed to agree the removal of the Deputy-Secretary.

2. In the absence of the Secretary and the Deputy-Secretary, the Director appointed by the Board of Directors, from those attending at the relevant meeting shall act as Secretary of the meeting.

## **Section 2. Committees of the Board of Directors**

### **Article 14. The Board Committees**

1. Without prejudice to the power of the Board of Directors to designate and permanently delegate whatever powers it considers appropriate to one or several Directors, either individually (Chief Executive Officers) or to several Directors collectively (Executive Committee or Delegated Committee), there will be set up, necessarily, an Audit and Control Committee in accordance with the provisions of Article 17 of the Bylaws, and an Appointments and Remuneration Committee in accordance with the provisions of Article 18 of the Bylaws. The functions of these two committees will be exclusively those of information, advice and suggestions about the matters described in the articles below.

The Secretary of those Committees will be the Secretary of the Board of Directors, and failing that, will be the Deputy Secretary, if any.

2. The Appointments and Remuneration Committee will evaluate the profiles of the people best suited to form part of the various Committees, and will make the corresponding proposals to the Board. The Board will appoint members of Committees after taking into consideration the knowledge, skills and experience of the Directors and the tasks to be performed by each Committee.
3. The Audit and Control Committees and the Appointment and Remuneration Committees will each appoint a Chairman from among their members that are independent Directors, and will meet when convened by that Chairman. The said Committees will prepare an annual plan of action, that will include the main activities of each Committee during the fiscal year, for which they will be accountable to the Board. In any matter not specifically provided for, the rules of operation established by these Regulations with regard to the Board will apply, provided that they are compatible with the nature and function of the Committee.

The Committees will give accounts of their activities in the first plenary session of the Board of Directors after their meetings, responding of the work performed.

4. Additionally, the Board of Directors may establish other internal Committees whose functions will be determined by the Board itself. Their members will be appointed by the Board, taking into account the knowledge, skills and experience of the Directors and the duties of each Committee. The Committees will be chaired by independent Directors.
5. In the performance of their functions, the Committees may obtain external advice when they deem it necessary.

### **Article 15. The Executive Committee**

1. In accordance with LOGISTA's By-Laws, the Board of Directors may appoint an Executive Committee from among its members.

The Board of Directors which agrees the creation of an Executive Committee should agree its members and the legal regime governing its operation, in agreement with the provisions of the Law, the By-Laws, and these Regulations. In any event, the Chairman of the Board and the Vice-Chairman, if any, will be members of the Executive Committee and, if applicable, the Chief Executive Officer.

The qualitative composition of the Executive Committee shall, as far as possible, have at least two non-executive Directors, one of them, at least, being independent; and its Secretary shall be the Board Secretary.

The Executive Committee will be chaired by the Chairman of the Board, and its Secretary will be the Board Secretary and, in his absence, the Deputy- Secretary. In the absence of both of the above, the Secretary's duties will be performed by the Director on the Executive Committee appointed by those attending the relevant Executive Committee's meeting.

2. In those cases in which, in the opinion of the Chairman or of three members of the Executive Committee, the importance of the matter so requires, Executive Committee decisions may be submitted to the Board for ratification.
3. The Executive Committee must inform the Board of Directors of matters discussed and adopted decisions during its meetings, at the first Board meeting held after the Executive Committee meeting.

#### **Article 16. Audit and Control Committee**

1. The Board of Directors, in accordance with the provisions of article 17 of the By-Laws, will form an Audit and Control Committee composed of a minimum of three and a maximum of five non-executive Directors, most of whom will be independent, and one of whom will be appointed by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, who will take account of his or her knowledge and experience of accounting and/or auditing.

Additionally, the Board of Directors will ensure that the members of the Audit and Control Committee, and particularly its Chairperson, have knowledge and experience of accounting, auditing and financial and non-financial risk management, and of other fields which may be appropriate in the performance of the Committee's functions as a whole, such as finance, internal control and information technology, although they do not necessarily need to be experts in these latter fields, except as provided above.

In addition, and having due regard to ensuring the promotion of diversity of sex and of geographical origin, the members of the Audit and Control Committee will be appointed because they have the necessary dedication to the performance of the functions entrusted to them.

The members of the Audit and Control Committee will elect one of their members, with the category of independent Director, as Chairperson. That person will be replaced every four years, and may be re-elected after one year has elapsed since their cessation.



2. The Audit and Control Committee will have the functions set out in the legislation in force. Without prejudice to this, it shall perform the following functions:

*In relation to information and internal control systems:*

- a) Supervising and assessing the process of drawing up and the integrity of the financial and non-financial information, as well as the control and management of financial and non-financial risks systems related to the Company and its group - including operational, technological, legal, social, environmental, political and reputational or corruption-related systems - reviewing compliance with regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria.
- b) Ensuring the independence of the unit handling the internal audit function; proposing the selection, appointment, and cessation of the head of the internal audit service; proposing the service's budget; approving or proposing to the Board of Directors its priorities and annual internal audit work plan, ensuring that it focuses primarily on the main risks (including reputational risks); receiving regular reports on its activities; and verifying that the senior managers are acting on the findings and recommendations of its reports.

The head of the unit handling the internal audit function will present an annual work programme to the Committee, for its approval or for the Board's approval, will directly inform the Committee of its implementation, including any incidents or limitations arising during the implementation, and of the results and follow up of its recommendations, and will submit a report on its activities at the end of each year.

- c) Setting up and supervising a procedure which allows employees and other people in relation with the Company, such as Directors, shareholders, contractors or subcontractors and/or suppliers, to report irregularities of potential importance, including financial, accounting and any other irregularities, within LOGISTA or its Group. Such a mechanism shall ensure confidentiality and, in any event, provide for cases in which communications may be made anonymously, respecting the rights of the complainant and the person accused.
- d) Ensure in general that established internal control policies and systems are implemented effectively in practice.

*In relation to the external accounts auditor:*

- a) Investigating the circumstances of any resignation of an external auditor.
- b) Ensuring that the remuneration for the external auditor's work does not adversely affect its quality or independence.
- c) Ensuring that the Company notifies the CNMV of any change of external auditor as a material event, and that such notification is accompanied by a statement about any disagreements with the outgoing auditor, and the reasons for the same.

- d) Ensuring that the external auditor attends, annually, the plenary session of the Board of Directors to inform it about the work done and about developments in the Company's risk and accounting situations.
  - e) Ensuring that the Company and the external auditor comply with existing rules on the provision of services other than audit services, limits on the concentration of the auditor's business and, in general, all other rules on the independence of auditors.
  - f) Supervision of compliance with the Company's environmental, social and corporate governance policies and rules, as well as the Company's Internal Codes of Conduct, also ensuring that corporate culture is aligned with its purpose and values. In particular, it is the responsibility of the Audit and Control Committee:
    - (i) Oversee the application of the general policy for communication of financial and economic information, non-financial corporate information, as well as communications with shareholders and investors, proxy advisors and other interests groups. Also, the communications and relationship of the Company with small and medium shareholders will be supervised.
    - (ii) Regularly evaluate and review the Company's corporate governance system and the environmental and social policy, to confirm that they are fulfilling their purpose of promoting the corporate interest and catering appropriately for the legitimate interests of the other stakeholders.
    - (iii) Supervise that Company's practices in environmental and social aspects are in line with the strategy and policy set.
    - (iv) Monitor and evaluate the Company's interaction with its stakeholder groups.
  - g) Any other responsibility or function assigned to it by Law, by the Bylaws, by these Regulations or by the Board of Directors.
3. The Audit and Control Committee will meet as often as necessary, and whenever called by the Chairperson or requested by two of its members, and in any event at least four times per year. One of these meetings will necessarily be devoted to evaluating efficiency and the degree of compliance with the Company's rules and procedures for good governance, and to preparing the information which the Board of Directors has to approve and include in its annual public documentation.
4. The Audit and Control Committee will make resolutions and recommendations by the absolute majority of the members present or represented in the meeting.
5. Any member of the management team or personnel of the Company and its Group who is requested to do so will be obliged to attend Committee meetings and provide collaboration and access to any information which he/she may hold. The Committee may order them to attend without the presence of any other

director. The Committee may also request the attendance of accounts auditors at its meetings.

6. In order to perform its duties, the Committee will have access to the means and resources that are necessary for independent operation. The needs in resources must be channelled through the Secretary of the Company's Board of Directors.
7. In order to better perform its tasks, the Audit and Control Committee may seek advice from external professionals, in which case the provisions detailed in article 27 of these Regulations will be applicable.

### **Article 17. Appointment and Remuneration Committee**

1. The Board of Directors, in accordance with the provisions of article 18 of the By-Laws, will form an Appointment and Remuneration Committee comprised of a minimum of three and a maximum of five non-executive Directors, of which the majority will be independent, appointed by the Board of Directors, and seeking members that have the right balance of knowledge, skills and experience for the functions they are called on to discharge.

The members of the Remuneration Committee shall choose a Chairman from among the independent Directors that are a part thereof.

2. The Appointment and Remuneration Committee will have the functions set out by law in force. It will also have the following competencies:
  - a) Inform about the proposals for the appointment and removals of the Chairman, Vice-Chairman, Secretary and Deputy-Secretary of the Board of Directors.
  - b) Examining and organising, in the manner deemed suitable, succession of the Chairman and the first executive of the Company and, if applicable, making proposals to the Board so that this succession occurs in an orderly and planned way.
  - c) Ensuring compliance with LOGISTA's remuneration policy, periodically reviewing such policy, including share-based remuneration systems and their application, and ensuring that the individual compensation is proportionate to the amounts paid to other directors and senior officers in the Company.
  - d) Ensuring that selection processes are not implicitly biased in such a way that female Directors' selection is prevented.
  - e) Ensuring that conflicts of interest do not undermine the independence of any external advice the Committee engages.
  - f) Verifying the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Report.
  - g) Verifying, on an annual basis, compliance with the Directors' selection policy and setting out its findings in the Annual Corporate Governance Report.

- h) Drafting an Annual Report for the Board of Directors describing the activities of the Appointment and Remuneration Committee. The Report shall be published in LOGISTA's website well in advance of the Annual General Meeting.
  - i) Any other competence or duty conferred by the Law, the By-Laws or these Regulations.
3. The Appointment and Remuneration Committee will meet every time it is called by its Chairman or two of its members request, and when the Board of Directors or its Chairman request the issuance of a report and the adoption of agreements and, in any event, whenever it deems suitable for the suitable development of its duties.

The Appointment and Remuneration Committee will ask the Chairman and LOGISTA's first executive for their opinion, in particular when matters concerning Executive Directors and Senior Managers are discussed.

Any director may approach the Appointment and Remuneration Committee to consider the proposal of candidates that it might consider suitable, in the event of vacancies on the Board.

4. Any member of the management team or personnel of LOGISTA so requested is obliged to attend Committee meetings and provide collaboration and access to any information which he/she may hold.
5. The Appointment and Remuneration Committee shall adopt decisions or make recommendations by voting majority of the total number of its members.
6. For the best performance of his duties, the Appointment and Remuneration Committee may obtain external professional advice for this purpose shall apply the provisions of Article 27 of these Regulations.

## **CHAPTER V. OPERATION OF THE BOARD**

### **Article 18. Board of Directors' Meetings**

1. The Board of Directors shall meet as many times as it is convened by its Chairman or whoever performs his/her duties, at his initiative or at any Director initiative who so requests, and at least eight times a year. When the call of the Board is requested by any Director, it shall be convened, by the Chairman or whoever performs his/her duties, within ten days of receipt of the request. In the latter case, if the meeting is not convened by the Chairman within that period and without good cause, the Board meeting may be convened by at least one third of its members, indicating the agenda, for its holding in the place where the registered office is located. In all other cases, the meetings will be held at the registered office or place within Spain or abroad indicated in the call. Any Director may request the inclusion of a matter on the agenda.

2. Summoning of ordinary sessions will be performed by letter, fax, telegram or electronic mail, or by any other means which provides evidence, and this notification will be authorised with the signature of the Chairman, or the person substituting the Chairman, or the signatures of the Secretary or Deputy-Secretary following the Chairman's orders. The call will be effectuated with a minimum notice of two days.

Absent just cause, the call will include the agenda for the meeting and will attach a summary of the necessary information relevant to deliberation and adoption of resolutions regarding the matters to be considered, clearly indicating on which points Directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

In the event that, for reasons of urgency, the Chairman may wish to present decisions or resolutions for Board approval that were not on the meeting agenda, their inclusion will require the express prior consent, duly minuted, of the majority of Directors present.

3. Directors shall provide to LOGISTA an e-mail address as well as a mobile telephone number so that the meetings of the Board of Directors and of the committees of which they are members, may be called by those means, if so decided, and the corresponding information, if any.
4. Extraordinary meetings may be summoned by the same means of ordinary sessions, and the notice periods established and other requirements indicated in the section 18.2 above will not be applicable if the circumstances so demand in the opinion of the Chairman.
5. The call will not be necessary when, being present or represented, all the Directors decide unanimously to meet as the Board of Directors.
6. The Board of Directors will prepare an annual plan for its ordinary sessions and it will have a formal catalogue on matters to be discussed.
7. The Board will dedicate at least one meeting per year to evaluation of its functioning and that of its Committees, using for such purposes any internal or external means deemed convenient, and, based on the results, propose an action plan correcting the deficiencies identified. The result of the evaluation will be set forth in the minutes of the meeting, or attached thereto as an annex. In particular, the Board shall evaluate:
  - a) Its performance and the quality and efficiency of the Board's operation, as well as the diversity of board membership and competences -- starting from the report of the Appointment and Remuneration Committee -- and the performance and contribution of each Director.
  - b) The performance of the Chairman of the Board of Directors and the Company's chief executive, starting from the report of the Appointment and Remuneration Committee.
  - c) The performance and membership of its Committees, starting from the reports of each Committee. To this effect, the Chairman of the Board will

organize and coordinate such evaluation process with the Chairmen of the Committees.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointment and Nomination Committee.

8. The Board of Director's sessions will normally take place at the company's registered address, but they may also be held at any other address in Spain or abroad that the Chairman, or the person substituting the Chairman, decides and which is indicated in the notification of the meeting.
9. The session of the Board and its Committees may also be held in several places connected via videoconference systems, conference call, and other distance communication techniques, which allow the identification of those attending, permanent communication among them as well as speaking and issuing votes, and ensuring unity of action. It will be understood that the meeting is being held at the place where the majority of Directors are located and, when the same number of Directors are in different places, at the place where the Director chairing the meeting is.

#### **Article 19. Constitution and Development of Meetings**

1. The Board will be validly convened when the majority of its members are present or represented at the meeting.

The Directors must attend Board meetings and, when they cannot do so in person, they shall arrange for their representation and vote to be granted in favour of another Board member, including appropriate instructions. The delegation may be made by letter, fax, telegram, e-mail, or by any other valid means acknowledged in writing. Non-executive Directors may do so only to another non-executive Director.

2. The Chairman will organise debates in such a way that active participation of all Directors is ensured and promoted for all the Board's discussions, protecting their right to take a stance and express their opinion.
3. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the Company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.
4. Voting by the Board of Directors, in writing or through distance communication means and without a meeting of the Board, may occur provided that no Director objects thereto, and it satisfies the legal requirements
5. All Directors as well as the Secretary of the Board are obliged to express their opinions clearly when they consider that a proposal submitted to the Board may be contrary to Company interests. In particular, independent Directors and any other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking Board representation.

In the event the Board of Directors takes significant decisions which the Director or the Secretary of the Board has expressed serious concerns, the Director or Secretary should explain any necessary conclusions and, in the event he decides to resign, explain the reasons for his resignation in a letter to all Directors.

6. The managers of LOGISTA or of the Group or other persons whose presence is deemed appropriate due to the matter under consideration by the Committee may attend the sessions if so provided by the Chairman.
7. Prior to the discussion of the agenda as featured in the notification, the names of the Directors in attendance shall be read, indicating whether they are present personally or represented by another Director.
8. Discussions shall be commenced by the Chairman or any other Board members who have so requested, by exposing the matter in hand, after whom the other Board members may intervene. Once the interventions have concluded, the resolutions shall be submitted to ballot in the way deemed most appropriate by the Chairman. Each resolution shall be voted separately.
9. The Board of Directors' discussions and resolutions shall be recorded in minutes, which must be signed by the Chairman and Secretary or their substitutes.

#### **Article 20. Adoption of Resolutions and Majorities**

1. The resolutions shall be approved by absolute majority of the Directors attending the meeting, either in person or via proxy. The only exceptions to this are such cases which the Law, the By-Laws or these Regulations expressly request a different majority.
2. Notwithstanding the above, any resolutions related to any of the matters set out below will require the positive vote of at least 70% of the Directors, as rounded up in case that the application of that percentage does not result in a whole number of Directors, that form part of the Board of Directors and will not be delegated:
  - a) any increase or reduction in the share capital of LOGISTA or the issuance by LOGISTA of any bonds or other simple securities
  - b) the approval of an annual plan in relation to the capital expenditure, investments and other funding commitments to be carried out by LOGISTA in the following year (the "**Annual Capex Plan**");
  - c) any decision in relation to the acquisition of all or part of any business of any third party whether by way of the purchase (whether direct or indirect) of shares, assets or other like interests of any third party (including by way of merger or business combination) by LOGISTA or any member of its Group;
  - d) any decision in relation to the disposal of all or part of any business to any third party whether by way of the disposal (whether direct or indirect) of shares, assets or other like interests (including by way of merger or business combination) by LOGISTA or any member of its Group;



- e) any decision of the Company to enter into any partnership or joint venture or any other arrangement to share or distribute profits or assets;
  - f) any decision of the Company to incur or agree to incur, whether directly or indirectly, any capital expenditure, investment or other funding commitment in respect of any matter in excess of €1,000,000 in aggregate save to the extent that such capital expenditure, investment or other funding commitment (including the amount of such capital expenditure, investment or other funding commitment) is set out in the Annual Capex Plan for that period that has been approved in accordance with section (b) above;
  - g) any decision of the Company to amend the terms of its borrowing or indebtedness in the nature of borrowing or grant guarantees, or to create or incur borrowing or indebtedness in the nature of new borrowing;
  - h) the creation of any mortgage, pledge, lien, charge, assignment of any of such securities, or other security interest in relation to the LOGISTA, other than a security interest created by operation of law as a result of the ordinary course of business of LOGISTA; and
  - i) any decision to delegate any powers of the Board of Directors to a Managing Director, or to delegate any powers of the Board to any Committee of the Board.
3. For the purposes of counting the required majorities for the adoption of resolutions, the members of the Board that may be under a conflict of interest and that shall abstain from voting shall be discounted from the total number of members of the Board on which shall be calculated said majority.

## **CHAPTER VI. APPOINTMENT AND CESSATION OF DIRECTORS**

### **Article 21. Eligibility and Incompatibilities**

1. The Board of Directors and the Appointment and Remuneration Committee, within the scope of their competencies, shall endeavour to ensure that the candidates are selected from among persons of recognised solvency, competence and experience, and that have the necessary availability for the proper performance of their duties as Directors, and shall be particularly rigorous in choosing the persons to cover the posts of Independent Directors.
2. In the case a Director is a legal entity, the requirements indicated will also be applicable to the individual representing the organisation, and, in addition, the Director duties set out in these Regulations will also be enforceable on a personal level.
2. The member of the Board of Directors of LOGISTA may become part at the same time, and with the limitation provided by Law, of a maximum of four boards of directors of listed companies other than LOGISTA.



## **Article 22. Re-election of Directors**

The Board of Directors shall endeavour to ensure that the non-executive Directors who are re-elected do not always remain assigned to the same Committee.

## **Article 23. Term of Office**

Directors shall remain in their posts for the maximum term of office stipulated in the By-Laws, and may be re-elected one or more times for periods of equal maximum length.

## **Article 24. Training programmes for of Directors.**

LOGISTA will provide necessary support to new Directors so that these may acquire swift and sufficient knowledge on the company as well as on its corporate governance rules. Likewise, LOGISTA may establish, if necessary, training programmes for Directors.

## **Article 25. Removal of Directors**

1. Directors shall leave their posts when the term for which they were appointed ends and when so decided at the General Shareholders' Meeting, or when the Board of Directors requests it pursuant to section 2 below, and shall cease in the use of the attributes accorded them by Law or by the By-Laws.
2. Directors must place their post at the disposal of the Board of Directors and formally resign as a Director, if the Board of Directors considers it appropriate based on the following counts:
  - a) When they are removed from the executive posts to which their appointment as Directors was associated;
  - b) When they are involved in any of the scenarios of incompatibility or prohibition envisaged by the Law;
  - c) When Directors have performed acts that are contrary to the diligence with which they are obliged to perform their duties, infringed their duties and obligations as Directors;
  - d) When their presence on the Board could jeopardise the interests of LOGISTA or cause serious damage to LOGISTA's good name. In particular, Directors should inform the Board of any criminal charges brought against them and the progress of any subsequent trial.

For this purpose, the Director shall immediately inform the Board of any situation affecting him/her which could damage such credit and reputation and, in particular, of any criminal cases in which they appear as prosecuted, as well as, where appropriate, of their procedural vicissitudes. The Board of Directors should open an investigation as soon as possible and, in light of the particular circumstances, decide, following a report of the Appointments and Remuneration Committee, whether or not to take any measures, such

as opening an internal investigation, requesting the resignation of the Director or proposing his/her dismissal

The Board should give a reasoned account of all such determinations in the Annual Corporate Governance Report, unless there are special circumstances to justify it, which must be recorded in the minutes. This is detrimental to the information that the Company is to disseminate, if appropriate, at the time of the adoption of the corresponding measures, when, after analysis by the Board itself, the Board determines that there are situations affecting the Director, whether or not relating to his performance in the Company, which damage the Company's credit and reputation.

- e) When, a Director representing a significant shareholder notifies LOGISTA, at any time, of the decision of the shareholder not to reappoint him at the end of his term, or when the significant shareholder transfers, all its shareholding in LOGISTA. Additionally, if such shareholders reduce their stakes, thereby losing some of their entitlement to appoint Directors, the latter's number should be reduced accordingly.
3. The Board of Directors may only propose the removal of independent Directors before the expiry of their tenure as mandated by the by-laws, where they find just cause, based on a previous report from the Appointment and Remuneration Committee.

In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them from allocating sufficient time to the work of a Board member, or cause them to be in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation. Such removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the Company's capital structure.

Where, either by resignation or by agreement of the general meeting, a Director ceases his office before the end of his term of office, he shall sufficiently explain the reasons for his resignation or, in the case of non-executive directors, his or her opinion on the reasons for the dismissal by the general meeting, in a letter to be sent to all members of the Board of Directors. That, without prejudice to the fact that it will be explained in the Annual Corporate Governance Report, to the extent that it is relevant to investors, the company shall publish as soon as possible the cessation including sufficient reference to the reasons or circumstances provided by the Director.

## **CHAPTER VII. DIRECTORS' RIGHT TO INFORMATION**

### **Article 26. Information Faculty**

1. A Director has the duty to demand and the right to receive from LOGISTA such appropriate and necessary information allowing the Director to fulfil its obligations. This right to information is extensible to all the companies of LOGISTA Group, whether these are national or foreign.

2. The exercise of information duties will be channelled through the Chairman, Managing Director or the Secretary of the Board of Directors, who will assist the Director's request providing the information directly, facilitating contacts with the relevant department in the organisation or deciding on the measures so that examination tasks may be performed in situ.

#### **Article 27. Help from Experts**

1. In order to be assisted in performing their duties, Directors may request that LOGISTA engage the services of legal advisors, accountants, financial experts or others.

This engagement must necessarily refer to specific problems of a certain significance and complexity which arise in the performance of their duties.

2. The request to engage such experts must be reported to LOGISTA's Chairman and may be rejected by the Board of Directors if there is evidence of the following:
  - a) it is not necessary for the correct performance of the duties commissioned to the Directors;
  - b) its cost is not reasonable in relation to the significance of the problem and LOGISTA's assets and revenues,
  - c) the technical assistance which is sought may be adequately provided by LOGISTA's own experts and technical professionals; or
  - d) there is a risk for preserving the confidentiality of the information that must be given to the expert.

### **CHAPTER VIII. DIRECTORS' COMPENSATION**

#### **Article 28. Directors' Compensation**

1. Directors' compensation should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands.
2. The compensation of a Director, in his/her capacity as such, is governed by the provisions of the Law, the Bylaws and the Remuneration Policy of the Directors, approved by the General Meeting, in the terms and by the deadlines legally established. The determination of the remuneration of each Director, in his/her capacity as such, is the responsibility of the Board of Directors which, to that end, shall take into account the functions and responsibilities conferred on each Director, membership of Board Committees, and the other objective circumstances deemed to be relevant.
3. Directors that perform executive functions within LOGISTA, whatever the nature of the legal relationship therewith, and independently of the compensation

corresponding to them by reason of their status as Directors, will be compensated in accordance with the provisions of the By-Laws, and the Policy for Compensation of Directors, approved by the General Meeting.

The Board of Directors has authority to fix the compensation of the Directors for performance of their executive functions, and the terms and conditions of their contracts, in accordance with the provisions of the By-Laws and the Policy for Compensation of Directors, with the favourable vote of two-thirds of its members. The affected Executive Director must refrain from attendance, deliberation and participation in voting. The approved contract must be attached as an annex to the minutes of the meeting.

All categories in which compensation may be obtained by reason of the performance of executive functions must be specified in the contract. If applicable, this includes any indemnification for early termination from the position, within the limits, if any, established in the By-Laws, and amounts to be paid by LOGISTA or a company in its Group as insurance premiums or contributions to saving systems.

The Board also will set the objectives associated with the short-term variable compensation of the executive Directors, as well as evaluate the degree of compliance with such objectives and with the criteria established in any long-term Variable Compensation Plans in which they may have been included.

4. The Board of Directors will ensure transparency in Directors' compensation and, to achieve the above, detailed information per Director will be provided in LOGISTA's Annual Report. All compensation paid by LOGISTA or by any other companies in LOGISTA Group will be detailed, whether it was received in the capacity of Director, in the capacity of executive or, if applicable, any other capacity.

#### **Article 29. Non-Executive Directors' Compensation**

The Board of Directors and the Appointment and Remuneration Committee will adopt all such measures as are available to them to ensure that the compensation of the non-executive Directors is in accordance with the following guidelines:

- a) The non-executive Director should be remunerated depending on the number of hours effectively devoted to the post.
- b) The amount of compensation to be received by the non-executive Director should be calculated in such a way that it offers incentives for dedication, but it is not an obstacle to his/her independence.

## **CHAPTER IX. DUTIES OF THE DIRECTOR**

### **Article 30. General Duties of the Director**

A Director must exercise its position and fulfil the duties imposed by law and the By-Laws, with the diligence of an orderly businessman, taking account of the nature of the position and the functions that have been assigned thereto.

### **Article 31. Director's General Duty of Diligence**

1. In fulfilment of the general duty of diligence, a Director will be required to:
  - a) Be informed and prepare suitably for Board meetings as well as meetings of the delegated bodies or Committees he is a member of;
  - b) Personally attend meetings of the bodies he is a member of and actively take part in debates with the aim of effectively contributing with his opinion to the decision-making process. If, for justified reasons, a Director cannot attend meetings that have been called, it should give proxies for representation and voting, in accordance with the provisions of article 19.1 above.
  - c) Develop any specific task the Board of Directors entrusts him with and which is reasonably included in the scope of his duties.
  - d) Encourage those people with the ability to summon meetings to call an extraordinary Board meeting or include the item in the agenda of the first meeting that they deem appropriate to be discussed by the Board.
  - e) Object to resolutions which contravene the Law, the By-Laws, the Regulation for the General Shareholders' Meeting and these Regulations and to request the record of his objection.

### **Article 32. Director Duty of Loyalty**

1. In compliance with the duty of loyalty, Directors will be required observe the actions established in the current legislation avoiding, in particular, situations of conflict of interest in the terms established in said legislation.
2. The Director shall report to the Board of Directors any situations involving a direct or indirect conflict, either personally or through persons linked to him, with the interests of LOGISTA or the companies in its Group.

The Director also should report any stakes held directly or indirectly and personally or by related persons in the share capital of a company with the same, similar or complementary activity that constitutes the corporate purpose, as well as positions or functions they discharge, as well as performing either personally or for another party similar or complementary activities, to the ones which constitutes the social purpose of LOGISTA.

This information and the conflict situations, referred to in paragraph 1 above, shall be reported in the Report and in the Annual Corporate Governance Report.

In addition, the Directors shall observe, in transactions carried out by them or on their behalf, the rules of conduct established in the legal provisions governing the securities markets and, specially, the rules stated in the LOGISTA's Internal Regulations for Conduct in the Securities Market.

**Article 33. Approval of Transactions with Directors and Significant Shareholders.**

1. The Board of Directors, except for such matters as are legally within the competence of the General Meeting, formally reserves the right to review and approve, in the terms established in the current legislation, and if applicable, after a report from the Audit and Control Committee, the transactions, activities or actions that a Director or persons related thereto, intend to undertake with the Company. Transactions with shareholders, individually or together with others, holding a significant interest in Logista, including shareholders represented on the Board of Directors of the Company or other companies that are a part of the same Group, or related parties, will be authorized in the terms established in the current legislation. To authorise, if necessary, such transactions, actions and activities, the Board of Directors first and foremost shall serve the interests of LOGISTA, evaluating the transaction from the standpoint of equitable treatment of shareholders and market conditions.
2. The affected Directors, or those representing or related to the affected shareholders, must refrain from participating in deliberation and voting on the resolution in question.

**Article 34. Director Information Duties**

1. The Director is obliged to report any shares in LOGISTA, stock options or share price-based derivatives he may own, either directly or through companies he owns a significant stake in, as well as the amendments performed as a result of said stake and related rights, in the terms set out in current legislation.
2. The Director should also report to LOGISTA all the posts developed and the activities performed for other Companies or institutions and, in general, any situation or fact which may impact his activities as a director of LOGISTA.
3. Likewise, the Director should also report to LOGISTA any significant changes in his professional situation, or those situations which affect the nature or condition by virtue of which he has been appointed a Director, those situations involving a conflict of interest, as well as any other matters or judicial, administrative or other proceedings instituted against him, which could significantly affect LOGISTA's reputation due to their importance.

**Article 35. Scope of the Duties included in this Chapter**

The duties of loyalty established in this chapter will apply, in addition to Directors, to the individuals representing Directors that are legal persons, and to the senior managers of LOGISTA or companies in its Group.