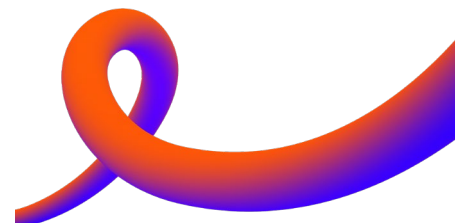


**ANNUAL REPORT ON THE FUNCTIONS AND ACTIVITIES OF  
THE APPOINTMENTS AND REMUNERATION COMMITTEE**

**FY 2021-2022**



**COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.**



## 1.- REGULATION

The Company's Appointments and Remuneration Committee was formed by the Company's Board of Directors at its meeting on 4 June 2014, prior to its shares being listed on the Official Stock Exchanges of Spain.

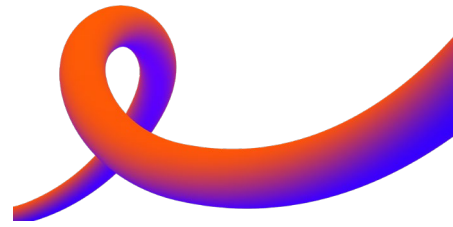
The operation of the Committee is regulated in Article 529 quidecies of the Capital Companies Act, in Article 18 of the Company's Articles of Association, in Articles 15 and 17 of the Regulations of the Board of Directors, and in the Company's Policy on the Selection of Directors, approved by the Board of Directors on 19 December 2017.

## 2.- COMPOSITION

The Committee, as of September 30, 2022, maintains the same composition as in the previous year, which is as follows:

Position	Members	Date of first appointment	Category
<b>Chairman</b>	Mr. Gregorio Marañón y Bertrán de Lis	09.06.2014	<b>Independent</b>
<b>Members</b>	Mr. John Downing	09.06.2014	<b>Proprietary</b>
	Mr. Alain Minc	24.04.2018	<b>Independent</b>
	Mr. Luis Isasi Fernandez de Bobadilla	29.09.2020	<b>Independent</b>
<b>Secretary(non-member)</b>	<b>Ms. María Echenique Moscoso del Prado</b>	<b>19.12.2019</b>	-----

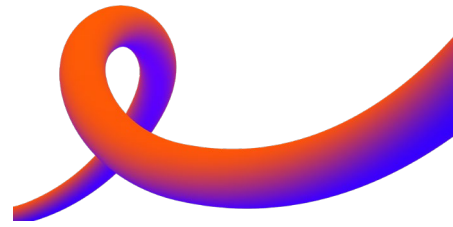
During this financial year, Mr. Alain Minc, after renewal of his position as director by the General Shareholders' Meeting, held on February 3, 2022, has been renewed in his position as member of the Committee, for an additional period of four years.



### 3.- FUNCTIONS

In accordance with the aforementioned regulations, the Appointments and Remuneration Committee exercises the functions set out in the Capital Companies Act, and follows the recommendations stated in the CNMV's Technical Guide to Appointments and Remuneration Committees of public interest entities. Accordingly, the Committee's main functions may be summarized as follows:

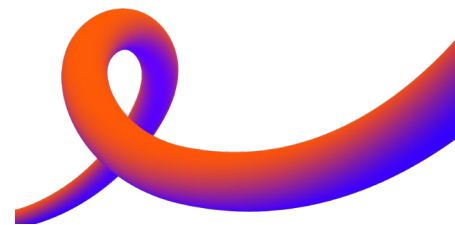
- Assessment of the skills, knowledge and experience needed on the Board. Setting a representation target for the less-represented sex on the Board of Directors and ensuring that selection procedures do not suffer from biases that make it difficult to appoint female Directors.
- Submitting to the Board of Directors proposals for appointments of independent Directors and reporting on the proposed appointments of the other Directors, in particular that of the Chief Executive Officer; reporting on the proposed appointments of the Chairperson and the Secretary of the Board.
- Examining and organizing the succession of the Chairperson and of the Chief Executive of the Company; reporting on the proposals for appointment and dismissal of senior managers whom the Chief Executive may propose to the Board and the basic terms and conditions of their contracts.
- Proposing to the Board of Directors, for approval by the General Meeting, the Policy on Directors' Remuneration, ensuring that it is applied properly, and proposing to the Board, for its approval, the individual remuneration of the executive Directors and the other terms and conditions of their contracts.



## 4.- OPERATION

During the 2021-2022 financial year, the Company's Appointments and Remuneration Committee had a higher activity than other years, and held eight meetings, due to the appointment and renewals of directors' positions, and changes in senior management.

- The Committee had prepared in advance a calendar of meetings to be held during the financial year, setting out the dates of the meetings and the various topics to be discussed.
- The meetings were called by the Secretariat of the Committee, at the request of its Chairman, with at least the notice set out in its Regulations, although meetings have normally been convened more in advance, in order to allow more time for the preparation of topics. The documentation deemed necessary and relevant to deal adequately with the topics included in the respective agendas was distributed with the calls.
- During the financial year, all meetings were held in person at the Company's offices, although some members have had to attend occasionally, through videoconference mechanisms.
- The meetings were generally attended by all members, although there was occasional resort to proxies. The Corporate Director of Human Resources usually attended the Committee's meetings as a guest, and the Chief Executive Officer was also present, having been invited by the Chairman.
- The self-assessment of the operation of the Committee concluded that it was highly satisfactory. The result of the self-evaluation of the performance of the functions of the Committee's Chairman was also highly satisfactory.



## 5.- ACTIVITIES

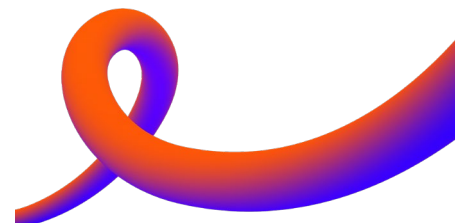
During the 2021-2022 financial year, the Company's Appointments and Remuneration Committee worked intensely; the following is a summary:

### A. APPOINTMENTS

- In 2022, a vacancy of proprietary Director arose within the Board, which motivated the exercise of the Committee's functions in this area:
  - Ms. Marie Ann D'Wit resigned on 21/03/2022 because she had ceased to provide her services to Imperial Brands Plc.

In a context of full respect for the shareholders' right to proportional representation, and their right to propose candidates for appointment as Directors, the Committee has ensured that these procedures take into account both the internal corporate regulations, including the Policy on the Selection of Directors, and the Board's skill matrix. In view of this, special attention was paid to gender diversity and to the strengthening of economic and financial skills. with the issuance of a favorable report for the appointment of the Director proposed by Imperial Brands Plc, Ms. Jennifer Ramsey.

- With regard to the appointment of independent Directors, the Committee proposed the renewal of Directors Mr. Minc and Ms. Garmendia, in view of their very satisfactory performance in their positions and the maintenance of the independence condition by both of them. Likewise, the Committee reported favourably on the re-election of Ms. Garmendia as a member of the Audit and Control Committee and Mr. Minc as Chairman of the Audit and Control Committee and member of the Appointments and Remuneration Committee.
- In relation to the Board's skill matrix, without prejudice to its updating during the year, a complete review of the identified skills and the profiles of the Directors was proposed for future years to ensure that they continue to adapt to the needs of the Company.
- Finally, in order to fill the vacancy that occurred due to the dismissal of a senior manager, the Committee evaluated and analysed the profiles of the different candidates proposed, verified that the remuneration package offered is in line with the provisions of the Company's Senior Management Remuneration Policy, and issued a favourable report on the appointment proposal presented by the CEO. for the position.



## B. DIVERSITY, INCLUSION AND CULTURE

Based on the strong commitment of the Board as a whole and the Committee in particular to all sustainability issues, the Committee has included among its activities the monitoring of the Company's activity in the areas of diversity, inclusion and culture.

## C. REMUNERATION

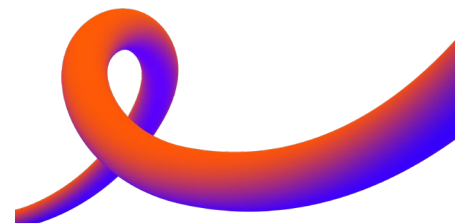
The Committee's activity has also been particularly intense this year. Besides the usual activity related to annual remuneration, it was proposed to the General Shareholders' Meeting held in February 2022 that it approve a new Directors' Remuneration Policy for the period 2022-2024, for the preparation of which external advice was provided by Gómez Acebo y Pombo and J&A Garrigues S.L.P.

This new Policy was submitted for approval by the General Meeting to comply with the provisions of Law 5/2021, of April 12, which has redrafted article 529 novodecies of the Capital Companies Law (the "LSC"), relating to the approval of the directors' remuneration policy, expanding, in turn, the mandatory content of the same.

The new approved Policy maintains the general lines of the one approved by the General Shareholders' Meeting in the previous year, introducing the changes required by the new regulations.

In particular, these changes are as follows:

- (i) Greater transparency and clarity in the explanation of the Company's remuneration model,
- (ii) incorporation of the new mentions required by law, providing in particular greater definition of the objectives of variable remuneration and their relative weights,
- (iii) adaptation of the fixed remuneration of executive Directors to the increase resulting from the updated inflation forecast applied to the Group's senior management, and
- (iv) provision of measures to align with the best corporate governance practices, in line with what shareholders demand, such as the limitation of payments for termination of the contract of executive Directors. In relation to this last aspect, it should be noted that the Company had already been complying with these limitations which, however, were not expressly included in its policy.

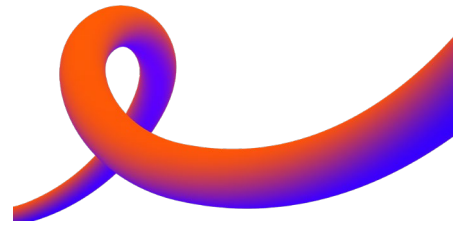


To all of the foregoing should be added the activities that are usually considered when fixing Directors' remuneration, besides an estimate, in the middle of the year, of the degree of achievement of the variable objectives of the executive directors.

#### **D. OTHER MATTERS**

- In line with the provisions of the Board Action Plan approved in the previous year, the Committee has had an intense activity in the supervision of the Succession Plan of the Company's senior management:
  - Identification of critical positions in the Company to be covered in the mid and long term
  - Identification of internal candidates and analysis of their profiles
  - Identification of positions with additional requirements, so that the Company management can work on identifying potential candidates.
  
- The Committee has been monitoring the implementation of the Company's plans and actions in the fields of safety and health, in particular in connection with the situation created by COVID, and with the changes in the rate of accidents, which have evolved very favourably during the fiscal year.
  
- Finally, the Committee led the self-assessment process of the Board, its Committees and its Chairman, CEO and Secretary, with external advice in this year, following the CNMV recommendations of good governance. The Committee studied different offers and recommended to the Board the engagement of Deloitte Legal. This self-assessment exercise has made it possible to confirm, on the one hand, the full implementation of the Action Plan which arose from this same evaluation in the previous fiscal year, and on the other hand, the highly satisfactory functioning of all its constituent members, including its Chairman, Chief Executive Officer and Secretary.

Some measures for improvement have been proposed, basically designed to strengthen the Board's debates about strategy and risks.



## 6.- CONCLUSION

In view of the foregoing, it can be concluded that the Appointments and Remuneration Committee operated normally during the 2021-2022 financial year, fully exercising the functions entrusted to it without undue interference, with respect to both current regulations and its internal operating rules.

The foregoing Report is the one that was unanimously approved by the members of the Appointments and Remuneration Committee at the November 3<sup>rd</sup>, 2022 meeting.

Leganés, November 3<sup>rd</sup>, 2022

The Secretary of the Committee,

María Echenique Moscoso del Prado