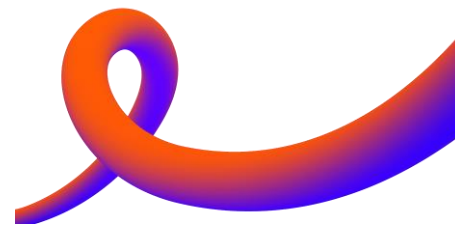


**ANNUAL REPORT ON THE FUNCTIONS AND ACTIVITIES OF  
THE APPOINTMENT AND REMUNERATION COMMITTEE  
FY 2022-2023**



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



## 1.- REGULATION

The Company's Appointments and Remuneration Committee was established by the Board of Directors of the Company at its meeting held on 4 June 2014, prior to the listing of the Company's shares on the Spanish Stock Exchanges.

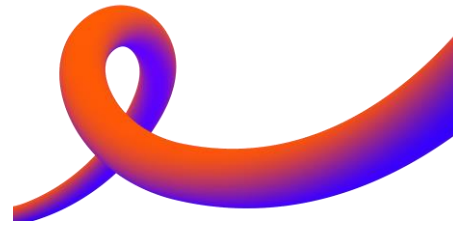
The operation of the Committee is regulated in Article 529 quidecies of the Capital Companies Act, in Article 18 of the Company's Articles of Association, in Articles 14 and 17 of the Regulations of the Board of Directors. With regard to the selection processes for Directors, the Committee is governed by the Company's Policy on Directors' Selection, approved by the Board of Directors on 19 December 2017.

## 2.- COMPOSITION

The Committee, as of September 30, 2023, has the following composition:

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. Richard Hathaway	13.04.2023	<b>Proprietary</b>
	Ms. Pilar Platero	27.09.2023	<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>	<b>-----</b>

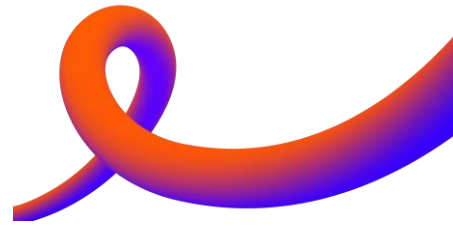
During this financial year, the changes that have taken place in the Committee are linked to the filling of the vacancies left by the resignation of the proprietary Director Mr. Downing, who has been replaced by Mr. Richard Hathaway, and the independent Director Mr. Alain Minc, who has been replaced by Ms. Pilar Platero.



### 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:

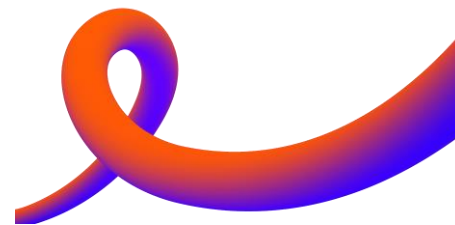
- Assessment of the skills, knowledge and experience needed on the Board. Setting a representation target for the less-represented sex on the Board of Directors and ensuring that selection procedures do not suffer from biases that make it difficult to appoint female Directors.
- Submitting to the Board 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 2022-2023 financial year, the Company's Appointments and Remuneration Committee has held six 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 have been attended by all members during this financial year. 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

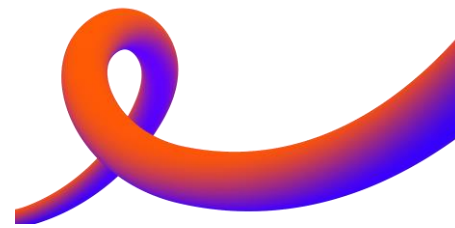
During the 2022-2023 financial year, the work performed by the Company's Appointments and Remuneration Committee can be summarised as follows:

### A. APPOINTMENTS

- In 2022-23, a vacancy of proprietary Director arose within the Board, which motivated the exercise of the Committee's functions in this area:
  - Mr. John Downing resigned on 12/04/2023 because he had ceased to provide his 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. As a result, special attention was paid to international corporate finance and management issues and, in particular, to specific knowledge in accounting matters in the favourable report on the appointment as proprietary Director of Mr David Tillekeratne, proposed by Imperial Brands Plc.

- With regard to the appointment of independent Directors, the Committee took note of the resignation tendered by Mr. Minc by letter dated 25 September 2023, in which he expressed his gratitude for having served the Company. Following this, the Committee initiated the process of filling vacancies, which concluded with the proposed appointment by co-option of Ms. Teresa Paz-Ares.
- The Committee reported favourably at its meeting of September, on the proposal of appointment of Mr. Luis Isasi Fernández de Bobadilla as Vice-Chairman.
- In relation to the Board's skill matrix, and as a consequence of the self-assessment exercise carried out previously, a complete review of the matrix has been carried out both in terms of (i) a full review of the skills identified and (ii) the profiles of all Directors, and not only new additions, to ensure that they continue to fit the needs of the Company.



## **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**

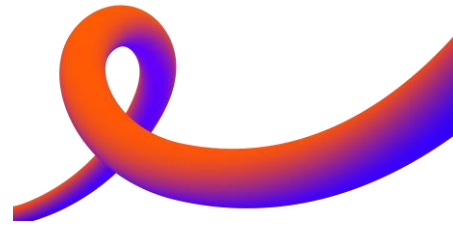
Besides the usual activity related to annual remuneration, it was proposed to the General Shareholders' Meeting held in February 2023 the approval of a new Directors' Remuneration Policy for the period 2023-2024, in which specific adjustments were made in remuneration matters and long-term savings insurance to strengthen the retention element of the policy.

This new Policy was submitted for approval by the General Meeting to comply with the new wording of article 529 novodecies of the Capital Companies Law (the "LSC"), relating to the approval of the directors' remuneration policy.

## **D. OTHER MATTERS**

- As in previous years, the Committee has been carrying out its activities in the area of supervision and monitoring of the Company's Senior Management Succession Plan, noting that progress has been made in covering key positions in the Company.
- The Committee has been monitoring the implementation of the Company's health and safety plans and actions, particularly in relation to the situation generated by COVID and the evolution of the corresponding accident rate indicators, which have evolved very favourably during the year.
- Finally, the Committee led the self-assessment process of the Board, its Committees and its Chairman, CEO and Secretary. 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 budget.



## 6.- CONCLUSION

In view of the foregoing, it can be concluded that the Appointments and Remuneration Committee operated normally during the 2022-2023 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 7<sup>th</sup>, 2023, meeting.

Leganés, November 7<sup>th</sup>, 2023

The Secretary of the Committee,

María Echenique Moscoso del Prado