

	Investment and Operations Committee Rules	Version 1
		<u>Approval Date</u> April 22, 2021

**Investment and Operations Committee Rules
LATAM LOGISTIC PROPERTIES, S.A.**

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**RULES OF THE INVESTMENT AND OPERATIONS COMMITTEE OF THE BOARD OF DIRECTORS
OF LATAM LOGISTIC PROPERTIES, S.A.
(HEREINAFTER THE “COMPANY” AND/OR “LLP”)**

1. PURPOSE.

The purpose of the Investment and Operations Committee (the “Committee”) reporting to the Board of Directors and chaired by the Chief Executive Officer (the “CEO”) of Latam Logistic Properties, S.A. (“LLP” and/or the “Company”), is to make decisions on investment and project proposals facilitate the development and implementation of the projects, ongoing operations, and supervision and corporate strategy of the Company.

2. DEFINITIONS:

- a. Investment and Operations Committee: The Committee.
- b. Latam Logistic Properties: LLP or the Company
- c. Chief Executive Officer: is defined as the group that includes the Chief Executive Officer, the Chief Finance Officer, the Country Manager and the Manager of Development
- d. Board of Directors of Latam Logistic Properties: The Board of Directors

3. SCOPE

The Committee will examine, make decisions and issue orders to be executed by the Chief Executive Officer, as applicable, in line with the Authority Delegation, Conflict of Interest Policies and the Operational Policy for Related Parties of the Company. The Authority Delegation Policy states that the Committee may approve those projects, strategies and initiatives that do not exceed the amount of ten percent (10%) of the market value of the Company or fifty million dollars (US\$50,000,000), whichever is higher, and for lease contracts with annualized income that does not exceed ten percent (20%) of the Company’s Annual Contract Value. For projects, strategies and initiatives that exceed the amount of ten percent (10%) of the market value of the Company or fifty million dollars (US\$50,000,000) or lease contracts where the annualized income exceeds ten percent (10%) of the Annual Contract Value of the Company, the Committee must submit comments, observations and recommendations on the project to the Board of Directors that has the power to approve the project following the guidelines of the General Meeting.

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The CEO supports and advises the Committee, as requested by the Committee, in the development and/or enhancement and implementation of specific aspects of the Company's operations and corporate strategies or on other important strategic operations and matters.

The Committee will examine, make decisions and issue execution orders on the following business transactions, but not limited to these:

- i. Evaluation of investments, projects and strategies and the decision to implement them following the Company's corporate strategy;
- ii. The evaluation of investment performance;
- iii. The Company's annual capital plan, and examine, evaluate and approve or recommend projects that require Board of Directors approval, as applicable, and that exceed the amounts and following the guidelines set for each of the bodies responsible for the corporate governance of the Company.
- iv. Changes in the Company's corporate strategy and their execution arising from repercussions from incidents and external factors such as changes in economic, geopolitical and market conditions, and sector competition;
- v. Identification of perspectives and opportunities for corporate development and growth initiatives, including acquisitions, development of investment properties, divestitures, joint ventures and strategic alliances;
- vi. Implementation of the Company's corporate strategy through execution by the CEO, by means of corporate developments and growth initiatives, including acquisitions, development of investment properties, divestitures, joint ventures and strategic alliances;
- vii. Approve the company's annual operating budget, including NOI, budget employment, administrative expenses, etc.;
- viii. Approval of Corporate restructuring of subsidiaries for tax efficiency;

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- ix. Approval of the authority delegation policy for senior management and employees;
- x. Approval of new debt and refinancing for the Company;
- xi. Evaluation and approval of material leases where the concentration of annualized income is between five per cent (5%) and ten percent (10%) of the Annual Contract Value;
- xii. Approval of annual appraisals of investment properties.
- xiii. Approval of hedging instruments;
- xiv. Approval to enter new markets in Latin America, Central America and the Caribbean.

4. AUTHORITY AND RESPONSIBILITIES OF THE COMMITTEE.

- i. The CEO of the Company will be responsible for the development and execution of the Company's operating plans and strategies. In compliance with its responsibilities, the Committee will maintain cooperative and interactive dialogue with the CEO, including identifying and setting objectives, operational expectations and strategies and reviewing possible acquisitions, divestitures, financing, joint ventures and strategic alliances.
- ii. The Committee may commission the CEO or external consultants for special projects, analysis and reports that the Committee considers necessary for a better understanding of the economic, geopolitical and market environment and specific situations that may arise in Company operations.
- iii. The Committee will meet as often as it deems necessary to comply with its duties and responsibilities.
- iv. The Committee will meet at least once, every quarter, before the Board of Directors meeting.
- v. The Committee will meet periodically with the CEO to discuss, review and evaluate the development and implementation of the Company's operational objectives and corporate strategy.
- vi. **All** business projects, in general, must be submitted to the Committee for approval. Any business and/or transaction that exceeds the amount set in the Authority Delegation Policy that are greater

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than between ten percent (10%) of the market value of the Company or the amount of fifty million dollars (US\$50,000,000) or lease contracts with annualized lease income that exceeds ten percent (10%) of the Annual Contract Value of the Company and that comply with the Company's Conflict of Interest Policy and the Operational Policy for Related Parties will receive preliminary approval from the Committee and then submitted to the Board of Directors for final approval. These business and/or commercial transactions include, but are not limited to the following:

- Lease contracts where the annualized contract income is equal to or greater than ten percent (10%) of the Annual Contract Value.
 - Any new financing or refinancing.
 - Approve the creation of strategic alliances or joint ventures, mutual funds, or partnerships for specific purposes with new strategic or development partners. Approval is not required to incorporate new companies controlled by the Company, either directly or through subordinate entities.
- vii. The Committee will examine the availability of resources, including business and operating plans and financial, technological, operational and human resources.

5. EXPRESS INVESTMENT COMMITTEE

- a. The role of the "Express IC" is to be used for any Capital Investment or Divestiture matter that requires the approval of the Investment and Operations Committee as indicated under Section 3, provided the aggregate quantities related to the entire matter total five million dollars (US\$5,000,000) or less for Investment Capital and ten million dollars (US\$10,000,000) or less for sales of investment properties. Keep in mind that this is for the total amount of the transaction and therefore, if the land costs four million dollars (US\$4,000,000), but requires an additional nine million dollars (US\$9,000,000) to execute the business plan, Committee approval will still be required.
- b. In most cases, the *Express IC* will be used mostly for minor acquisitions, divestitures, developments and requests for infrastructure. *Express IC* is a short memorandum (1-2 pages + attachments) distributed by email to the Committee; any explanations are made and responded and approved or rejected by email.

6. MATTERS REQUIRING THE APPROVAL OF THE INVESTMENT AND OPERATIONS COMMITTEE

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The Committee will be responsible for the approval of each Company investment, with the necessary support of the Chief Executive Officer (CEO), Chief Finance Officer (CFO) and Chief Operating Officer (COO) for each country.

The following transactions require Committee approval and an Investment Committee Memorandum (IC Memo) must be prepared and submitted to the LLP Investment and Operations Committee:

a. Due Diligence and Research Expenses:

Before spending more than ten thousand dollars (\$10,000) on research expenses (preliminary due diligence, legal expenses, travel expenses, etc.) or signing a binding legal document committing LLP to invest resources,

b. Capital Investments:

- i. All building acquisitions
- ii. All land acquisitions (should include all land development costs and those required for completion of the vertical construction)
- iii. All start of infrastructure development transactions for the land, startup of vertical construction of a building, including customized, speculative construction and any other development-related transaction
- iv. All commitment or turnkey transactions.
- v. All Re-urbanization / Repositioning projects (must include all future conversion costs)
- vi. All participations in shares of mixed companies, including new strategic or development partners
- vii. All non-reimbursable deposits or other payments that exceed ten thousand dollars (US\$10,000) that are at risk if LLP were to unilaterally decide to abandon the deal
- viii. All capital investment transactions beyond the regular course of business

c. Sale of Assets:

- i. All direct property sales
- ii. All sales of any indirect interests in a property

d. Increases in unbudgeted exploitation and development costs:

- i. Leases that require large investment in tenant improvements above the standard for each market and that exceed one million five hundred thousand dollars (US\$ 1,500,000).

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- ii. Unbudgeted increases in development expenses related to a previously approved agreement that exceed five percent (5%) of expenses for a project originally approved by the Committee.

- e. Lease Contracts:
 - i. All lease contracts with annualized income greater than five percent (5%) of the Annual Contract Value for the Company.
 - ii. All rights of first refusal and options to buy associated with any lease.
 - iii. Lease contracts denominated in a currency other than United States dollars or the functional currency of the country where the lease is being executed.

- f. Financing and Re-Financing:
 - i. Approval of new debt for the Company
 - ii. Approval of re-financing of existing Company debt
 - iii. Strategy on changes in the Company's Capital Structure
 - iv. Changes in material clauses of financing contracts
 - v. Approval of changes in corporate and real property guarantees for financing

- g. Hedging Instruments and Risk Management:
 - i. Approval of Hedging Instruments for protection in currency movements and interest rates
 - ii. Monitoring and setting limits for currency used in Company transactions.

- h. Appraisals:
 - i. Approval of annual appraisals of investment properties.

7. TYPES OF COMMITTEE MEMORANDA

- a. **Initial Investment Committee Memorandum (IICM)**
 - i. All agreements are submitted for the approval of the Initial Investment Committee unless they meet the criteria of the "Express IC" (as indicated under Section 5).
 - ii. For new capital investments (specific acquisitions of new land/buildings) and divestiture transactions (specifically the sale of land/buildings), transactions will be submitted through an IICM after a basic agreement is reached in the form of a Letter of Intent (LOI)

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or Memorandum of Understanding (MOU) with the other party setting forth the financial and legal conditions. The IICM will describe the transaction, the structure of the deal, the strong and weak points, the financial benefits, the return on investment, and any other pertinent information following the basic IICM template.

- iii. The initial investment recommendation will be evaluated in detail and requires the approval of the Committee to proceed with the Purchase Sale Agreement (PSA) and full due diligence. The acquisition conditions and investment structure are determined as part of obtaining the initial approval and are under the responsibility of the COO in the corresponding country.
- iv. If a transaction on the IICM is approved, follow-up and due diligence costs up to one hundred thousand dollars (US\$100,000) will be assigned for a detailed analysis of the transaction (including due diligence, detailed budgets, legal and business aspects, etc.).

b. Final Investment Committee Memorandum (FICM)

After examining the due diligence and before eliminating the conditions of the purchase sale agreement, the country COO, in collaboration with the investment and development teams, will prepare a final recommendation to the Committee. The Committee will conduct a complete review of the information developed during the due diligence process (including up-to-date ROI / financial conditions) and will give the final approval or rejection of each investment.

c. Committee Vertical Development Approval Memorandum (Vertical Approval).

Once a parcel of land is owned or controlled by LLP and LLP is ready to begin vertical construction (specifically, award the contract to the general contractor and begin construction), the Vertical Development Approval Memorandum to the Committee will be prepared to ensure that construction viability and market dynamics continue to be sufficiently favorable to guaranty the expected return on the investment. If the Committee approves the vertical construction, the building may then be considered in “Development Start-up” for the quarter in which the approval is given and will be disclosed in the quarterly results to the Board of Directors and the investors.

8. COMPOSITION, STRUCTURE AND FUNCTIONING OF THE COMMITTEE.



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- a. Composition of the Committee. The Committee is comprised of three members with the right to vote and a Secretary without a right to vote. The three members with the right to vote include two permanent members, the CEO and the CFO and one rotating member. The CEO will preside at Committee meetings. The rotating member will be appointed by the CEO with the support of the CFO for 6-month periods. An alternate member will be appointed, who may replace the rotating member in its absence or because of conflict with the Operations Policy with Related Parties and the Conflict-of-Interest Policy. An alternate member will be appointed to replace the permanent members if one of the permanent members has a conflict of interest with any decision that the Committee has to make.
- b. Meeting Frequency. The Committee shall meet with the frequency it may deem necessary to comply with its duties and responsibilities.
- c. Convening Meetings and Location the Committee may hold meetings anywhere in the world. Committee meetings will be convened by the Secretary of the Committee at the discretion of the CEO. Notices of Committee meetings will be sent by email to the members at least two business days in advance of the day on which the meeting will be held.
- d. Submitting Documents or Memoranda to the Committee. All documents for the evaluation of the Committee will be sent to the Secretary with a copy to the Committee, no later than 5 pm Costa Rica time, two business days before the meeting.
- e. Quorum. At all Committee meetings, the majority of the total Committee will be necessary and sufficient to constitute a quorum to process matters. Quorum will be considered to be participation by the members who are in attendance physically, virtually, or by telephone. In the absence of the CEO, the Committee will be presided by the CFO as the second permanent member.
- f. Voting. Resolutions will be passed by a simple majority vote of all members. If one of the permanent members is absent, it must send an email to the Secretary and to the other permanent member with a proxy vote on the matters to be addressed. If a rotating member is absent, it must send an email to the Secretary and the CEO with its proxy vote on the matter to be addressed or cede its vote to the alternant member that represents it at the meeting. If a majority vote is not reached, the issue will be submitted to the Board of Directors for its decision.
- g. Committee Management Report: The CEO, because of his position as Chairman of the Committee, will submit a report on the activities of the Committee to the Board of Directors at its quarterly

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meeting. This report must be made in writing and submitted to the Board of Directors as part of the documents on results.

9. RESPONSIBILITIES OF COMMITTEE MEMBERS

Chairman of the Committee:

- i. The Chairman of the Committee will be the CEO. He will have the responsibility of presiding ordinary and extraordinary meetings and will act as the representative of the Committee before the Board of Directors, therefore his mission is to submit and report the recommendations and resolutions passed by the Committee.
- ii. The Chairman will coordinate the Committee to develop its activities harmoniously with the participation of the members.
- iii. The Chairman will ensure that the members have the information and elements necessary for the best performance of their responsibilities.
- iv. The Chairman will ensure that enough time will be given to each point on the Committee meeting agenda for a detailed analysis of each.

Secretary of the Committee:

- i. The Secretary will send out notices for the ordinary and extraordinary meetings ordered by the Chairman and will send the study material to Committee members at least two (2) business days before the meeting.
- ii. The Secretary will be in charge of reviewing and updating the commitments and keeping the minutes of each meeting.
- iii. The Secretary will keep a digital database for the Committee, including a record of all transactions approved and the results of the transactions approved.
- iv. The Secretary will audit the materials submitted to the Committee to ensure they comply with all Company guidelines and policies.
- v. The Secretary will schedule quarterly calls with the Managers of each country, Investment and Development Analysts to plan and monitor upcoming Committee memoranda.

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- vi. The Secretary will update the calendar for Committee members to include milestones, tasks with tentative dates for presenting Committee resolutions as a function of the goals and objectives of the company (Start Date for Developments, Acquisitions, and Divestitures, etc.)

10. AUTHORITY TO HIRE ADVISORS; ACCESS TO RECORDS

The Committee will have the resources and authority necessary or appropriate to comply with its duties and responsibilities, including the authority to select, hire, and terminate, as well as to approve reasonable professional fees and other hiring conditions for such advisors or experts that it may deem necessary or appropriate, as well as to supervise their work. The Company will provide the appropriate financing, as reasonably determined by the Committee for payments to advisors and experts hired by the Committee and for the ordinary administrative expenses of the Committee that it deems necessary or appropriate for the performance of its duties and responsibilities. In compliance with its responsibilities, the Committee will have full access to all pertinent Company books, records, facilities, and personnel.

11. RESPONSIBILITIES

This policy applies to all LLP companies and compliance will be as follows:

- a. LLP Board of Directors: Approves the Authority Delegation Policy.
- b. Investment and Operations Committee: implements, executes and develops this policy within LLP, ensuring good functioning of the Committee.

12. RELATED DOCUMENTS

1. Corporate Governance Code
2. Operational Policy for Related Parties
3. Conflict of Interest Policy
4. Authority Delegation Policy.
5. Reference Framework for Institutional Relations

13. EFFECTIVE TERM AND APPROVAL

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This Policy is binding and will be supplemented by the provisions set forth in LLP corporate governance documents, particularly the Company Bylaws, the Authority Delegation Policy, the Conflict of Interest Policy and the Related Parties Policy. This policy was duly approved by the Board of Directors. Once approved by the Board of Directors, this Policy must be communicated to the CEO and to the Investment and Operations Committee.