

	Dividend Policy	Version
		<u>Approval Date</u> April 22, 2021

Dividend Policy
LATAM LOGISTIC PROPERTIES, S.A.

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**DIVIDEND POLICY OF THE BOARD OF DIRECTORS OF LATAM LOGISTIC PROPERTIES
(HEREINAFTER, THE “COMPANY” AND/OR “LLP”)**

1. PURPOSE

This Dividend Policy (hereinafter, the “Policy”) has been adopted by the Board of Directors of Latam Logistic Properties, S.A. and its subsidiaries (hereinafter, “LLP” and/or the "Company") with the purpose of regulating and guiding its shareholders about their compensation and adequate return on their investment.

One of the priorities of LLP’s Board of Directors is to distribute earnings and/or appreciate the shareholders’ shares in order to ensure an adequate return on their investment.

LLP considers said return on investment a fundamental element to retain shareholders who are willing to invest for the long term and who are committed to LLP.

Therefore, the purpose of this Policy is to set out the basic principles and criteria that will govern the shareholders’ Compensation agreements submitted by the Board of Directors for approval at a General Shareholders’ Meeting.

2. DEFINITIONS

Dividend: part of the Company’s earnings that are distributed among its shareholders.

Payment in Kind: dividend payout in Company’s shares.


Dividend Distribution Project: It is a document presented at the Annual General Meeting with the dividend distribution proposal, its terms and conditions, amount, and payment method.

3. BASIC PRINCIPLES OF THE DIVIDEND POLICY

Agreements regarding LLP’s dividend distribution must respect the principle of correspondence between the shareholder Compensation and LLP’s earnings, keeping in mind the applicable legal requirements and the best market practices.

Furthermore, in order to achieve a sustainable capital generation and liquidity model, the agreements made by LLP’s Board of Directors regarding dividend distribution must comply with the principles of proportionality to paid-up capital, transparency, and sustainability. On the one hand, they must promote equal treatment of all the shareholders who are in the same position. On the other, they must guarantee that the dividend payout will be reasonable according to LLP’s profit and loss (P&L) for the year.

In any case, the agreements made under this Policy must respect the legislation in force, LLP’s corporate governance regulations, and the good governance recommendations and principles upheld by LLP, in particular, those set out in the Corporate Governance Code for Public Corporations approved by the Colombian Securities Exchange.

	Dividend Policy	Version
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4. GENERAL PROVISIONS

According to the shareholder Compensation and this Policy, LLP's Board of Directors' dividend distribution proposal should be based on the Company's annual P&L for the year for which approval is sought from the General Shareholders' Meeting. This proposal must consider the legal criteria and general guidelines outlined in this Policy.

The shareholders will have the Company pay dividends out of its distributable net income which should be consistent with the operation and investment plans approved by the Board of Directors. The dividend payout and yield will be determined by the Board of Directors and approved by the Shareholders in a General Shareholders' Meeting. To determine the dividend amount to be distributed each financial year, the Board of Directors should take into account the Company's debt to equity ratio and its financial operation needs.

The Company will maintain a coherent dividend policy that balances out the double goal of adequately compensating the shareholders through dividend payouts and of retaining capital in order to keep a healthy capital adequacy ratio to support its future growth. The Company will reinvest its annual earnings for the year to support its growth. It will evaluate whether to pay dividends once the Company becomes the whole owner of the 750,000 square meters of rentable area, which has to be approved by the General Shareholders' Meeting based on the approval thresholds defined in its Articles of Incorporation.

5. DIVIDEND DISTRIBUTION BY THE GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting will be responsible for approving the dividend distribution for the year or unrestricted reserves according to the parameters agreed on.


The General Shareholders' Meeting or the Board of Directors, where applicable, may include the time of payment, among other aspects, in the dividend distribution agreement. If no determination is made on this matter, the dividends will be paid as soon as possible according to the applicable legislation and the cash flow starting on the day following the agreement date.

6. SHAREHOLDER COMPENSATION FORMULAS

The Board of Directors may propose to LLP's General Shareholders' Meeting the shareholder **types of compensation** it considers convenient and will decide on the frequency these types will be used according to the applicable legislation about each particular type.

In particular, the General Shareholders' Meeting may agree that dividends be paid in full or in part in shares, provided that the values of the shares proposed for distribution: (i) are homogeneous and (ii) are listed in an official market at the time the agreement becomes effective.

This Policy is not a commitment about future Company dividends, but rather a general guide about the Dividend Policy.

	Dividend Policy	Version
		<u>Approval Date</u> April 22, 2021

7. APPROVAL AND PAYMENT PROCEDURE

The approval procedure will be under the responsibility of the General Shareholders' Meeting, and the amount and payment will be defined in the Dividend Distribution Project.

Every year, the Dividend provisions for the year will be submitted to LLP's General Shareholders' Meeting for its approval; i.e., the Dividend Distribution Project that declares if dividends will be paid or not, depending on whether the threshold set out in section 4 of this Policy was achieved or not, will be presented at this meeting.

The Dividend Distribution Project will be posted together with the call to the meeting at LLP's website: <https://www.latamlp.com>.

If the Dividend Distribution Project is approved by the General Shareholders' Meeting, in general, dividends will be paid according to the provisions in said Project. Although dividends will be expressed in American dollars, the investors in Colombia will be paid at the Tasa Representativa de Mercado (TRM) [Prevailing Market Exchange Rate] applicable on the payment date. These investors will assume the exchange differential risk between the dividend declaration date and payment date.


Once the Dividend Distribution Project has been approved, the General Shareholders' Meeting will determine the payment calendar and the total amount to distribute. No later than the day following the Meeting date, LLP should send the approved Dividend Distribution Project to the Depósito Centralizado de Valores de Colombia (DECEVAL) [Central Securities Deposit] so that the dividends are properly regulated and paid out.

Once the Dividend Distribution Project has been received by DECEVAL, two payments will be made: a prepayment and a final payment.

The prepayment of the amounts that have to be transferred or the number of shares to be issued (dividends paid out in shares) by LLP to their related beneficiaries have to be presented within five (5) business days before the dividend payment date.

LLP will check the prepayment prepared by DECEVAL, and together LLP and DECEVAL will agree any necessary adjustments in case of discrepancies. Later, DECEVAL will submit to LLP, within two (2) business days before the dividend payment date, the final amount to be transferred or the order of shares to be issued, as the case may be, to make the dividend payouts.

DECEVAL will proceed to pay the dividends or issue the shares to LLP's shareholders. Once the dividend payout has been made, DECEVAL will inform LLP and its shareholders the value of the dividends paid and their tax discounts. This process will be carried out every time LLP declares dividends.

	Dividend Policy	Version
		<u>Approval Date</u> April 22, 2021

8. SHAREHOLDER COMPENSATION AMOUNT

The Board of Directors, at the beginning of each year and in time to make public the previous year's P&L, may specify a range for the expected maximum dividends to be paid, provided it meets the distribution parameters set out and agreed by the Shareholders' Meeting.

9. LLP'S DIVIDEND PAYOUT CALENDAR

The Board of Directors will determine the dividend payout calendar to be included in the Dividend Distribution Project.

10. RELATED DOCUMENTS

Shareholders' Meeting Regulations
Treasury Stock Acquisition and Repurchase Policy

11. COMMUNICATION

Given the special relevance of the Compensation information for the shareholders to be informed about the correct determination of share prices and pursuant to the criteria of the Colombian Stock Exchange, LLP will communicate the approval of this Policy as a **Relevant Fact**. This Policy will be posted in the **Company's website**. Any later modifications will be advertised through this means as well.

12. POLICY OVERSIGHT

The Board of Directors will be the competent corporate body to oversee the implementation of this Policy by periodically assessing its efficacy and taking proper measures to resolve any potential deficiencies and make any modifications it considers convenient.

13. OVERALL PROVISIONS

This Policy is binding and is complemented by the provisions set out in LLP's corporate documents, in particular, the Corporate Governance Code.

Once approved by the Board of Directors, this Policy must be posted in the Company's website.