




Delegation of Authority Policy

Version
1

Approval Date
April 22, 2021

Delegation of Authority Policy LATAM LOGISTIC PROPERTIES, S.A.

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

1. PURPOSE

The purpose of this Delegation of Authority Policy (hereinafter, the “Policy”) is to govern the Company’s delegation of authority, including but not limited to the approval of investments, the approval and execution of all kinds of contracts, including but not limited to acquisition, credit, or disinvestment agreements with the Delegation of Authority granted to the officers of Latam Logistic Properties, S.A., its affiliates and its subsidiaries (hereinafter, the “Company” and/or “LLP”). This Policy also defines the authority granted to LLP’s officers to facilitate the Company’s day-to-day operations and its business management, including the authority to make payments to comply with the transactions performed.


2. DEFINITIONS

- a. ACQUISITIONS:** Acquisitions will be understood as the opportunities to purchase already established (rented) industrial properties that generate cash flow and that are within LLP’s markets and sectors of interest. Furthermore, there may be opportunities to buy vacant buildings, real estate requiring significant redevelopment and value-added conversion where LLP’s experience as operator may create a significant value. Properties owned by their users but want to sell them in exchange for a sales & leaseback agreement, under market conditions, to free resources from their assets and channel them to their productive or main activity are also included. This definition also includes the purchase of land to build warehouses.
- b. INVESTMENT AND OPERATIONS COMMITTEE:** The Executive Investment Committee is a Senior Management advisory committee that reviews LLP’s investment projects.
- c. DEVELOPMENT:** ‘Development’ will be understood as the development of warehouses for industrial use, for both distribution and manufacturing (which will be included without any development or obtaining the permits, licenses, and authorizations needed for their

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development), mainly designed for the logistics. It also considers the development of plants under the build-to-suit model for tenants that want industrial or commercial buildings with certain specifications or want to secure an industrial plant in a certain location before its construction.

- d. **INDUSTRIAL FACILITIES:** 'Industrial facilities' is understood as a specific area whose main activities are related to logistics and manufacturing.
- e. **BUSINESSES OR COMMERCIAL TRANSACTIONS:** these are activities or economic events that involve interactions between or among two or more parties where products, services, or values are exchanged for some consideration, usually a monetary consideration. Within this Policy, a transaction includes contingencies, assets disposal, or the suspension of debt or loan agreements.
- f. **OBLIGATIONS:** this refers to all kinds of contracts, including contractual and disbursement obligations under oral and/or written commitments made in the name, in favor or on behalf of LLP. Obligations include but are not limited to the following contracts: acquisition or lease of goods and services; investment; loan; debt; lease; trusts on LLP's assets or equity; administration or security trusts; fiduciary; collateral on LLP's assets or equity; and construction agreements; as well as agreements with suppliers of goods and services needed for LLP's operation in each of its jurisdictions; employment contracts; lease agreements; investments; purchase orders; supplier invoices; and the like.
- g. **PAYMENT:** According to this Policy, 'payment' encompasses any transaction, payment, or authorization made by LLP to comply with a contractual obligation or disbursement, or any payment or disbursement made by LLP under any Obligation. Payments can be made by check, wire transfer, ACH, cash withdrawals, or any other means of payment.
- h. **MARKET VALUE:** 'Market Value,' for the purposes of the approval thresholds, will be understood as the average price per share in the last quarter multiplied by the total number of outstanding shares of the Company.

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3. INVESTMENT GUIDELINES

- a. The Company will, directly and indirectly, invest in the construction and/or purchase of properties, warehouses, warehouse complexes, and/or industrial facilities. These properties may be designed or built for (i) merchandise distribution centers, either for goods in transit or as their final destination, with either one door on the side or a double-door configuration, as well as all the facilities that can be used to support the operation, including, but not limited to, offices, customs facilities, security gatehouse, maneuvering yard, truck and car parking, cashiers, shops, and storage patios, among others; (ii) intermodal terminals to move goods onto different transportation modes (planes, trains, ships, trucks) and all the infrastructure and facilities needed for their proper operation, including but not limited to office, customs facilities, security gatehouse, maneuvering yard, truck and car parking, cashiers, shops, and storage patios, among others; and (iii) land to develop this kind of properties, so that LLP can invest in infrastructure that secures the logistics support for the reception, storage, and later distribution of merchandize; and (iv) other properties.

- b. All of the Company's investments will be located in Latin America and the Caribbean unless otherwise agreed according to the approval thresholds.

- c. The Company may invest, through its subsidiaries, in real estate with any kind of ownership model, including, without limitations, direct ownership, concessions, purchase options, purchase obligations of turnkey projects, co-investments, direct or indirect leasing, and master leasing.

- d. Before the Company invests in a property, it must complete a legal audit of the respective property and of the purchase proposal at its full satisfaction, as it is customary for this type of Company purchases.

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4. REVIEWING AND DUE DILIGENCE

All investments, contractual obligations, commercial transactions, and payments have to be reviewed for their impact on the budget, risks, legal considerations, optimum purchase practices, LLP's internal control policies, and coherence with LLP's strategic mission.

5. APPROVER OR AUTHORIZER

They have to be approved by the CEO, the Executive Investment Committee, the Board of Directors, or the Shareholders' Meeting according to the approval thresholds set forth in section 6 of this Policy.

LLP's offices include: Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officers (COO) of each Country and the Development Director.

All delegation of authority must comply with the parameters in this Policy.


6. APPROVAL BODY AND THRESHOLDS

In addition to the authorities regarding decisions granted by the Articles of Incorporation, the Regulations of the General Shareholders' Meeting, and the Regulations of the Board of Directors, the Company will apply the following approval thresholds:


a. Shareholders' Meeting Approval Thresholds

In addition to the responsibilities assigned to the Shareholders' Meeting in LLP's Articles of Incorporation, the Shareholders' Meeting will be responsible for approving all investments, contractual obligations, commercial transactions, or payments that meet the following parameters:

- a. Decisions that have to be approved by simple majority:
 - (i) each of the Company's businesses and/or commercial transactions that individually represent between twenty-five percent (25%) and fifty percent (50%) of the Company's market value;

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- (ii) any new loan that individually represents between twenty-five percent (25%) and fifty percent (50%) of the Company's market value;
 - (iii) the buyback plan of LLP's treasury shares;
 - (iv) the creation of strategic partnerships or joint ventures, investment funds, special purpose entities, or joint ventures with new strategic partners or developments representing between twenty-five percent (25%) and fifty percent (50%) of the Company's market capitalization, as defined by LLP's risk capital in the new investment vehicle. No approval will be required to incorporate new companies controlled by the Company, either directly or through new subordinate entities.
- b. Decisions that need to be approved by a qualified majority (i.e., the affirmative vote of seventy percent (70%) of the shares present):
 - (i) each of the Company's businesses and/or commercial transactions that individually represents more than fifty percent (50%) of the Company's market value;
 - (ii) any new loan that individually represents more than fifty percent (50%) of the Company's market value;
 - (iii) the creation of strategic partnerships or joint ventures, investment funds, special purpose entities, or joint ventures with new strategic partners or developments that are higher than fifty percent (50%) of the Company's market capitalization, as defined by LLP's risk capital in the new investment vehicle. No approval will be required to incorporate new companies controlled by the Company, either directly or through new subordinate entities.

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b. Board of Directors' Approval Thresholds


In addition to the responsibilities assigned to the Board of Directors in LLP's Articles of Incorporation, the Board of Directors will be responsible for approving all investments, contractual obligations, commercial transactions, or disbursements that meet the following parameters:

a. Decisions that have to be approved by simple majority:

- (i) each of the Company's businesses and/or commercial transactions that individually represents between ten percent (10%) and fifteen percent (15%) of the Company's market value and lease agreements in which the annual rental revenue between ten percent (10%) and twenty percent (20%) of the annual contracted rents of the Company;
- (ii) any new loan that individually represents between ten percent (10%) and fifteen percent (15%) of the Company's market value;
- (iii) propose the buyback plan of LLP's treasury shares;
- (iv) create strategic partnerships or joint ventures, investment funds, special purpose entities, or joint ventures with new strategic partners or developments representing between ten percent (10%) and fifteen percent (15%) of the Company's market capitalization, as defined by LLP's risk capital in the new investment vehicle. No approval will be required to incorporate new companies controlled by the Company, either directly or through new subordinate entities.

b. Decisions that need to be approved by a qualified majority (i.e., the affirmative vote of five members)

- (i) each of the Company's businesses and/or commercial transactions that individually represents between fifteen percent (15%) and twenty-five percent (25%) of the Company's market value and lease agreements in which the

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annual rental revenue exceeds 20% of the annual contracted rents of the Company;

- (ii) any new loan that individually represents between fifteen percent (15%) and twenty-five percent (25%) of the Company's market value;
- (i) the creation of strategic partnerships or joint ventures, investment funds, special purpose entities, or joint ventures with new strategic partners or developments representing between fifteen percent (15%) and twenty-five percent (25%) of the Company's market capitalization, as defined by LLP's risk capital in the new investment vehicle. No approval will be required to incorporate new companies controlled by the Company, either directly or through new subordinate entities;
- (ii) the investment of the Company's cash in its allowed investments when accompanied by a fairness opinion;
- (iii) the entry, exit, or closing of the Company's operations in other countries through its subsidiaries.

c. Investment and Operational Committee Approval Thresholds

The Executive Investment Committee will be responsible for approving the following:


- (i) each of the Company's businesses and/or commercial transactions that individually represent the highest amount between ten percent (10%) of the Company's market value and the amount of fifty million American dollars (US\$50,000,000) and lease agreements in which the annual rental revenue that does not exceeds ten percent (10%) of the annual contracted rents of the Company, with the exception of the transactions covered by the Policy on Related-Party Transactions;

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- (ii) each and any contractual obligation, and agreements with suppliers that individually represent the highest amount between ten percent (10%) of the Company's market value and the amount of fifty million American dollars (US\$50,000,000),
- (iii) any new loan that individually represents the highest amount between ten percent (10%) of the Company's market value and the amount of fifty million American dollars (US\$50,000,000),
- (iv) the investment of the Company's cash in its allowed investments,
- (v) the creation of strategic partnerships or joint ventures, investment funds, special purpose entities, or joint ventures with new strategic partners or developments representing the highest amount between ten percent (10%) of the Company's market value and the amount of fifty million American dollars (US\$50,000,000), defined by LLP's risk capital in the new investment vehicle. No approval will be required to incorporate new companies controlled by the Company, either directly or through new subordinate entities.
- (i) the incorporation, merging, and closing of legal entities that are part of the same group, affiliate, or subsidiary.

Once the investment, contractual obligation, or disinvestment is approved according to the approval thresholds set out in this Policy, no further approvals from the Board of Directors are required for contractual or payment obligations if the Board of Directors has previously approved it as part of a specific budget that covers said contractual obligation or payment. The Executive Director shall be responsible for the execution of the resolutions of the Investment and Operations Committee of the Company.

The officer or officers who authorize the payment, as defined in this Policy, must first make sure that the investment, contractual obligation, commercial transaction or payment has been

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approved by the Investments and Operations Committee, by the Board of Directors or the Shareholders' Meeting, according to the approval guidelines outlined above.

7. FINANCIAL MATTERS

The following financial matters can be authorized by LLP's officers who are authorized by the Policy on Approvals, Disbursements, and Contracts once the investments, contractual obligations, commercial transactions or payments have been approved:

- a. authentication of manual fund transfers;
- b. electronic bank transfer agreements;
- c. opening of safe deposit boxes;
- d. application for a letter of credit; and
- e. other necessary administrative measures to handle the existing bank accounts.

Payments made to any LLP officer must be approved by another LLP officer.


Payments made to any member of the Board of Directors must be approved by the CEO or the CFO.

8. APPROVAL PROCESS

Approvals can be structured as 'approvals up to.' For instance, the Board of Director may approve a known budget in advance within their maximum threshold of approval. If the element requires a larger amount due to an increase, then the approval has to be requested again.

9. REPORTS

The Finance and/or Investor Relations Department should periodically inform the Board of Directors, through the Board of Directors' Audit Committee, all important payment activities included in the reports on new expenses, as well as the financial results and any significant differences regarding budgets.

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10. RESPONSIBLE

The Finance and Investor Relations Department is responsible to comply with all internal financial controls and submit the corresponding reports, including a compliance report with this Policy.

The Audit Committee and the Board of Directors should periodically verify compliance with this Policy and the appropriate thresholds.

11. RELATED DOCUMENTS

This Policy is complemented by and included the following documents:

- a. Company's Articles of Incorporation
- b. Regulations of the Company's Board of Directors
- c. Regulations of the Company's Shareholders' Meeting
- d. Corporate Governance Code
- e. Policy on Related-Party Transactions
- f. Policy on Conflict of Interest
- g. Regulations of the Executive Investment and Operational Committee.

12. VALIDITY AND APPROVAL

This Policy is binding to all the Company. This Policy has been dully approved by LLP's Board of Directors.