

## **MANAGERS COMPENSATION POLICY OF LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.**

### **1. PURPOSE**

**1.1.** This Managers Compensation Policy of LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A. ("Company"), approved at a Board of Directors meeting held on November 16, 2018 ("Compensation Policy") sets out the guidelines for determination of the compensation and benefits granted to statutory and non-statutory Officers, to the members of the Board of Directors, members of the Fiscal Council and to the members of the statutory and non-statutory Committees established by the Company, collectively referred to as ("Managers").

**1.2.** The Company's Compensation Policy considers three interrelated perspectives: **(i)** perspective of the employer: fostering the knowledge, skills and behaviors required for business success; **(ii)** perspective of the employee: compensation is an integral part of an attractive proposal of value that they understand and support; and **(iii)** perspective of costs: compensation costs are sustainable and do not compromise other investments.

### **2. COMPENSATION**

**2.1. General Conditions:** The compensation of the Company's Managers may be composed as follows:

#### **2.1.1. The Board of Directors**

The members of the Board of Directors are not paid for the performance of their duties.

#### **2.1.2. Executive Board appointed pursuant to the Articles of Incorporation**

The compensation of the Company's Board of Officers is defined by the Shareholders' Meeting, and the Board of Directors is responsible for establishing its distribution, according to the functions and responsibilities and observing the provisions of the Company's Bylaws and its shareholders' agreements. The remuneration of the statutory Board of Officers of the Company considers the remuneration of other executives of the commercial property industry, and the collective performance of the executive management team to achieve the Company's objective of increasing the value of its shares.

Statutory Officers, in addition to the fixed monthly compensation paid as *pro labore*, receive a variable compensation linked to their performance and conditioned to the fulfillment of certain goals in their area. It was also granted stock options to be exercised within the terms and conditions

set forth in the Company's Stock Option Plan, approved at the Special Shareholders' Meeting held on November 17, 2010 ("Stock Option Plan").

Therefore, the compensation of the Executive Board comprises the following: **(i)** base compensation and variable compensation, related to goals according to the position and area of the manager; **(ii)** an indirect compensation, represented by the benefits; and **(iii)** stock-based compensation, arising from the options granted under the Stock Option Plan.

This policy reconciles short-, medium- and long-term goals.

### **2.1.3. Executive Board not appointed pursuant to the Articles of Incorporation**

The compensation practice seeks to hire and retain highly-qualified professionals in the company's management. The compensation policy of the Executive Board non-statutory is established according to the applicable legislation. All professionals are hired under the Consolidation of Labor Laws (CLT), focused on the search for results in the determination of the compensation of each Officer. In addition, the members of the Executive Board have stock-based compensation, conferred under the Company's Stock Option Plan.

Therefore, the compensation of the Executive Board not appointed pursuant to the Articles of Incorporation comprises the following: **(i)** base compensation and variable compensation, related to goals according to the position and area of the manager; and **(ii)** an indirect compensation, represented by the benefits; **(iii)** stock-based compensation, arising from the options granted under the Stock Option Plan.

### **2.1.4. Committees**

The position of member of any of the Company's Committees is not paid.

### **2.1.5. Fiscal Council**

The remuneration of the members of the Fiscal Council shall be attributed by the Shareholders' Meeting that appoints them, in accordance with the applicable legislation.

**2.2. Compensation Breakdown:** Please find below the description of the elements that make up the compensation and its objectives:

#### **2.2.1. Base compensation**

Corresponds to the base salary and aims at recognizing and reflecting the value of the position internally (Company) and externally (market).

### **2.2.2. Variable compensation**

Corresponds to the profit sharing and aims at rewarding employees for achieving and exceeding the goals of the Company, areas and individual goals, aligned with the budget, strategic planning and competition.

### **2.2.3. Benefits**

Corresponds to the life insurance, medical care and private pension plan, and aims at complementing welfare benefits.

### **2.2.4. Long-term incentives**

Corresponds to the Stock Option Plan and aims at reinforcing employee retention and aligning interests with shareholders in the addition of value to the business in a sustainable and long-term manner.

**2.3.** The overall compensation of the members of the Executive Board and of the Board of Directors shall, in any case, observe the limits set out by the Shareholders' Meeting of the Company, pursuant to article 152 of Law No. 6,404, dated December 15, 1976, as amended.

## **3. APPRAISAL OF THE POLICY**

**3.1.** It shall be incumbent upon the Board of Directors to evaluate the adequacy of this Company's Compensation Policy and make amendments whenever necessary. These evaluations are made through market surveys conducted with companies of the same size, from different segments and operating in Brazil.

## **4. GENERAL PROVISIONS**

**4.1.** This Compensation Policy is available on the Company's website ([www.logcp.com.br/ri](http://www.logcp.com.br/ri)), as well as on the website of the Securities and Exchange Commission ([www.cvm.gov.br](http://www.cvm.gov.br)).

**4.2.** This Compensation Policy shall enter into force upon its approval by the Board of Directors, and shall remain in force for an indefinite period, pending a decision to the contrary.

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