ANNUAL REPORT ON THE REMUNERATION PAID TO DIRECTORS OF LISTED STOCK COMPANIES

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COMPANY NAME
DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

REGISTERED OFFICE
C/ JACINTO BENAVENTE, 2ª (EDIFICIO TRIPARK, (LAS ROZAS) MADRID

STANDARD FORM OF THE ANNUAL REPORT ON THE REMUNERATION PAID TO DIRECTORS OF LISTED STOCK COMPANIES

A THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR

A.1 Explain the company's remuneration policy. In this section include information related to the following:

- The general principles and basis for the company's remuneration policy.
- The most significant changes made to the remuneration policy compared with one applied in the previous financial year and the changes made in the year to the terms and conditions for exercising options already granted.
- The criteria and composition of comparable company groups whose remuneration policy has been examined to determine the company's remuneration policy.
- The relative importance of the variable remuneration items compared with the fixed ones and the criteria applied to determine the different components of the Directors' remuneration package (remuneration mix).

Explain the remuneration policy

DIA' s remuneration policy is based on the following principles and grounds.

- Prudence: DIA's Board of Directors endeavours to ensure that the remuneration is moderate and in accordance with the trends and references of remuneration applied in the market by companies of a similar size and that perform a similar business, so that it is in line with the best market practices.
- Commitment: the remuneration policy endeavours to reward quality, dedication, responsibility, knowledge of the business and commitment to the company of the people who hold key positions and lead the organisation.
- Linked to profits: the policy is based on the necessary link between remuneration and the company's profits, so that the variable remuneration has sufficient weight to effectively reward the targets achieved and the contribution made to the company's value and
- Internal and external equality: the remuneration takes the external competitive environment and internal equality into consideration.

The general principles and grounds of the remuneration system established for Directors endeavour to ensure that their remuneration has a reasonable proportional relationship with the importance of the company, its financial situation and market standards for comparable companies. The remuneration system established, especially in the case of executive Directors, is oriented towards promoting long-term profitability and sustainability and includes the necessary precautions to avoid the excessive assumption of risks and rewarding unfavourable results.

The criteria used to determine the remuneration policy for the members of the Board of Directors are included in Articles 39 of the company's Bi-laws and Article 32 of DIA's Board of Directors Regulations, and they are different depending on whether the Directors are executive or non-executive.

In accordance with the aforementioned principles, the remuneration system for DIA Directors for holding that position has the following characteristics:

- Transparent information regarding director's remuneration.
- It provides incentives for remunerating rating their dedication, qualification and responsibility, without being an obstacle to their loyalty.
- It consists primarily of an amount for pertaining to the Board of Directors and, if appropriate, Board Committees.
- The fixed amount will depend on the duties performed or the positions held within the Board of Directors or on its Committees.
- Part of the remuneration is share-based, which they must continue to own until time they cease to be Directors.
- Directors are compensated for travel, trips and other expenses incurred to attend company meetings or to perform their duties.

The criteria for determining the various components of the remuneration package for external Directors relate to compensating them for their professional value, dedication to the position and the responsibility assumed without their objectivity when defending the business' interest being affected by the remuneration received.

Specifically, the remuneration mix in the case of all Directors as member of the Board is as follows:

- Fixed remuneration consists of an amount established based on their position and responsibility, placing a higher weight on the duties of the Chairperson of the Board and its Committees.
- 50% of the Directors' fixed remuneration is paid in cash and 50% by granting them company shares. These shares are awarded net of the corresponding PIT withholdings, for which the director is responsible.
- The number of shares granted as fixed remuneration to the Directors is calculated by reference to the result of dividing 50% of the remuneration payable to each director by a reference market price that was the Volume Weighted Average Price (hereinafter referred to as the VWAP) for the market prices for the DIA shares in the 15 stock exchange business days prior to the date on which the Board approves the Annual Remuneration Report.
- The Directors (including executive Directors) must continue holding the shares they receive for this remuneration until the time they step down from office as director.

Per diem payments are awarded to the Directors attending the Board and Committee sessions and are paid in cash as per the terms of section A.3 below.

In any event, this fixed remuneration may not exceed the maximum amount approved on an annual basis by the General Shareholders' Meeting and the Board of Directors may establish a lower amount. In 2015 the maximum amount of Directors' remuneration amounts to 1,500,000 euros, as approved by the General Shareholders' Meeting in the past, which authorization continues in force.

The remuneration system for the director that performs executive duties at the company is based on the remuneration policy applied to DIA senior executives. The general principles and grounds for that system are as follows:

The rest of the contents of this section are set out in the appendix to this Report.

A.2 Information about the preparatory work and decision-making process used to determine the remuneration policy and the role played, if any, by the Remuneration Committee and other control bodies in structuring the remuneration policy. This information must include, if any, the mandate and composition of the Remuneration Committee and the identifying details of the external advisors whose services have been used to define the remuneration policy. Similarly, the position of the Directors must be expressed that, if any, have taken part in defining the remuneration policy.

Explain the process for determining the remuneration policy

The control bodies that take part in defining the company's remuneration policy are the Board of Directors and the Nomination and Remuneration Committee (hereinafter NRC).

The company's Board of Directors

Pursuant to Article 31 of the company's By-laws and Article 5 of the Board of Directors' Regulations, the Board of Directors is responsible for the following duties:

- According to the company's By-laws and within the limits stipulated therein, it determines the remuneration policy and the Directors' remuneration, pursuant to a proposal made by the Nomination and Remuneration Committee; and
- In the case of the executive Directors, it determines any additional remuneration for their executive duties and other terms and conditions that their contracts must observe.

In addition, according to the provisions in Article 39.6 of the company's By-laws and Article 32.12 of the Board of Directors' Regulations, the Board of Directors of DIA is the competent body to draw up and distribute the annual corporate governance report (ACGR) and this annual report about the Directors' remuneration.

The Nomination and Remuneration Committee.

Pursuant to Article 38.4 of the company's Board of Directors' Regulations, the Nomination and Remuneration Committee is responsible for the following duties:

- It proposes the following to the Board of Directors: (i) the system and amount for the Directors' annual remuneration, (ii) the individual remuneration of the executive Directors and senior executives and the other terms and conditions in their contracts, and (iii) the basic terms and conditions for the senior executives' contracts;

- It analyses, draws up and regularly reviews the applicable remuneration policy for the executive Directors and the executive team, including the stock remuneration systems and their application, and it guarantees they are in proportion to the amounts paid to other Directors and members of the executive team and other members of the company's staff;
- It supervises that the remuneration policy determined by the company is observed; and
- It assists the Board of Directors in drawing up the report about the Directors' remuneration and it submits any other reports to the Board of Directors about the remuneration stipulated in the Board of Directors' Regulations.

In particular, the following issues are subject to discussion at the Nomination and Remuneration Committee meetings:

- Determining the specific targets to which the various annual or pluri-annual variable retribution systems are linked.
- Reviewing the levels for granting them in the case of variable remuneration systems, expressed as a multiple or a percentage of the fixed remuneration.
- It provides information on the remuneration levels and practices applied in reference companies for the DIA Group.

In addition, the company's Nomination and Remuneration Committee plays an important role in drawing up the Directors' annual remuneration report, carrying out an internal preparation and assistance process in order to ensure it is in line with the best corporate governance practices and with the regulations in force.

The By-laws and the Board of Directors' Regulations state that the Nomination and Remuneration Committee must be composed by external Directors, mostly independent, with a number that must be determined by the Board of Directors of a minimum of three and a maximum of five.

At the time this report was prepared, the composition of the Nomination and Remuneration Committee was as follows: Mr. Pierre Cuilleret, independent external director, as the Chairperson, and Mr. Mariano Martín Mampaso, independent external director, and Mr. Nicolas Brunel, proprietary external director, as member.

Mr. Ramiro Rivera Romero acted as Secretary, non-member of the Nomination and Remuneration Committee, who performed the duties of Secretary, non-director of the company's Board of Directors; and Mr. Miguel Ángel Iglesias Peinado acted as Vice-Secretary, non-member of such Committee, who is Vice-Secretary, non-director, of the Board of Directors.

The Board of Directors' Regulations state that such Committee must hold a meeting as often as may be deemed necessary, in the opinion of its Chairperson, who must summon a meeting whenever a report must be issued or proposals must be adopted and, in all cases, whenever it may be necessary for the correct performance of its duties.

The Nomination and Remuneration Committee held four meetings in the year 2014; in addition, decisions were taken once by means of circular resolutions (that is, decisions taken in writing and without a session).

When performing its duties, the Nomination and Remuneration Committee uses external advisors to evaluate the Board and to configure the remuneration policy for Directors, in particular the long-term incentive plan and the preparation of this report. The company was assisted by Mercer, Russell Reynolds and Garrigues as external advisors for matters related to remuneration.

A.3 Specify the amount and the nature of the fixed components, with a break-down, if needed, of the remuneration for performing senior management duties by the executive Directors, the additional remuneration for the chairperson or members of the Board of Directors or any of its committees, the expenses incurred for attending the board and its committees' meetings or any other fixed remuneration paid to the Directors, along with an estimate of the annual fixed remuneration resulting therefrom. Identify other benefits that are not paid in cash and the main parameters applied in order to grant them.

Explain the fixed components of the remuneration

As mentioned in section A.1 above, the company has a remuneration package that is different depending on whether the Directors are executive or non-executive.

In the case of Directors as member of the Board:

- In the year 2015 and following, the maximum amount of Directors' remuneration will amount to 1,500,000 euros.
- Of said amount, the fixed remuneration paid to the members of DIA's Board of Directors for their collective supervision and decision-making duties, is 1,055,000 euros with the following break-down by posts and duties:
    - Chairperson of the Board of Directors: 165,000 euros.
    - Member of the Board of Directors: 80,000 euros.
    - Chairperson of the Nomination and Remuneration Committee: 35,000 euros (additional).
    - Member of the Nomination and Remuneration Committee: 25,000 euros (additional).
    - Chairperson of the Audit and Compliance Committee: 35,000 euros (additional).
    - Member of the Audit and Compliance Committee: 25,000 euros (additional).
- For 2015, the Board of Directors has approved maintaining the same distribution of remuneration among the various members of the Board of Directors and both Committees. This amount will be adapted when Directors are appointed or step down from office during the year and it will be awarded in proportion to the time they hold their posts.
- Included in the maximum amount approved by the Board, the Directors will receive cash per diems amounting to 2,000 euros for attendance at each meeting of the Board of Directors, and 1,000 euros for attending each session of the Committees.

In the case of the executive director:

The Chief Executive Officer, Mr. Ricardo Currás, is entitled to payment of fixed remuneration for performing executive duties that, in 2015, the Board of Directors determined at 600.000 euros.

Said remuneration has been established by the Board of Directors under the advice of external consultants (Russell Reynolds) in light of the duties effectively undertaken and the high responsibilities assumed by the executive Director. In addition, the Board believes that, in the current conditions and except for extraordinary circumstances, this fixed remuneration is duly aligned with remunerations paid by peer group companies both locally and internationally, and represents a fair assessment of the business knowledge, dedication and high level of commitment shown by the executive Director and leader of the DIA Group organization.

Additionally, as remuneration in kind, he is also granted a life insurance policy, health care insurance coverage and the use of a company car, as explained in section A.10 below.

In addition, the company includes the executive director in the supplementary remuneration called pension assistance, established by the company for its directives and based on which the company pays a cash amount equivalent to two thirds of the maximum individual contribution amount established by individual pension plan legislation (which, as of December 31, 2014, was set at 12,000 euros per year from age 50 and above), and the employee must demonstrate his/her contribution to the pension plan.

As a result of the legislative amendment relating to pension plans in Spain, the Board of Directors has the intention of analysing the possibility of structuring these payments through another procedure or vehicle, without it representing any increase in the amounts currently paid to its employees.

A.4 Explain the amount, the nature and main variable components included in the remuneration systems.

In particular:

- Identify each of the remuneration plans in which the Directors are beneficiaries, their scope, date of approval, date of implementation, valid term and their main features. In the case of stock option plans and other financial instruments, the general features of the plan must include information about the terms and conditions for exercising such options or financial instruments for each plan.

- Specify any remuneration paid for profit sharing or bonuses and the reasons for which they are granted.

- Explain the main parameters and basis for any annual bonus system.

- The kinds of Directors (executive Directors, external proprietary Directors, external independent Directors or other external Directors) who are beneficiaries of the remuneration systems or plans that include variable remuneration.

- The basis for such variable remuneration systems or plans, the assessment criteria chosen for being benefiting from them, along with the components and assessment methods to determine whether or not such assessment criteria have been met and an estimate of the absolute amount of the variable remuneration resulting from the remuneration plan in force, depending on the hypothesis or targets used as reference being achieved.

- If any, information must be provided about the terms for deferral or delays in payment that have been determined and or the periods for withholding stock or other financial instruments, if any.

Explain the variable components of the remuneration systems.

Based on the report and proposal from the NCR, on 7 December 2011 the company's Board of Directors approved the Long-Term Incentive Plan 2011-2014 (hereinafter the Incentive Plan 2011-2014), which covers the company's executive director.

Incentive Plan 2011-2014.

The Incentive Plan 2011-2014 allows its beneficiaries to receive an incentive (hereinafter referred to as the "Incentive") payable by DIA shares, linked to meeting a condition that they remain in the company until 31 December 2014 and dates after delivering shares, and subject to certain conditions precedent and business targets being met.

The business targets are linked to the DIA Group's profits or another geographic perimeter and allows, on the one hand, the contribution to the Group's corporate profits and, on the other hand, the contribution to the results of the responsibility parameter to be measured.

If the conditions precedent are met, the Incentive payable is calculated according to an incentive base (hereinafter referred to as the "Incentive Base"), on which the following is applied: (i) an initial objective, compliance with which will depend on whether or not the plan incentive will be received (ii) a ratio of presence that reflects the permanence condition has been met and, lastly, (iii) a multiplier depending on the evolution of the TSR indicator ("Total Shareholder Return"), measured during the term of the Plan, taking as a reference for the measurement of the TSR the 15 sessions subsequent to February 23, 2015. The Incentive Base is calculated according to the beneficiary's fixed remuneration in the financial year 2011.

Presuming the conditions precedents are met and the business targets are achieved, the multiplier linked to the TSR indicator is what determines the Incentive to be received, up to the limit of 30%, above which the number of shares to be awarded to the beneficiaries whose degree of achievement of the targets so permits, will remain fixed. The Incentive calculated in this way will be paid in shares, according to the average market prices per DIA share in the 15 stock market sessions after the announcement of the annual accounts for 2014.

The maximum number of shares to be granted to the executive director is determined as 432,514 shares.

Similarly, the Incentive Plan 2011-2014 includes a deferred delivery schedule for the shares. In the case of the executive director, the expected payment dates are those initially foreseen, i.e. before April 30 2015 (60% of the number of shares he is entitled to), December 2015 (20% of the number of shares he is entitled to) and September 2016 (20% of the remaining number of shares he is entitled to receive).

In 2015 the number of shares to be received by the executive director will be determined at the end of the above-mentioned reference period of 15 stock market sessions subsequent to February 23, 2015.

Incentive Plan 2014-2016.

After the experience acquired with the Incentive Plan 2011-2014, in 2014 the company decided to implement a new incentive plan in order to continue with its long-term remuneration policy.

Accordingly, on 19 March 2014 the company's Board of Directors approved the proposal received from the NCR regarding a new Long-Term Incentive Plan 2014 — 2016 (hereinafter the Incentive Plan 2014-2016 or LTIP 2014-2016), which includes the company's executive director, and was presented and approved by the General Shareholders' Meeting on 25 April 2014.

DIA's Long-Term Incentive Plan 2014 — 2016 pursues the following objectives:

- Attract and retain those that make the largest contribution to the company's profits.
- Motivate participants to obtain solid long-term operating profits.
- A line Directors' remuneration with the company and shareholder's interests with respect to the duration (pluri-annual) and measurement of results.
- Increase the participation of the executive team in the company's share capital
- Align the measurement period with the business cycle and the company's strategy.

In order to do so, the Plan:

- Establishes transparent, demanding and long-term targets (at least three years).
- Includes accrual metrics and conditions that are clearly linked to the attainment of certain demanding financial and operating targets that increase shareholder value.
- Uses a single operating and shareholder return metric to offer a more complete view of the company's performance.
- Establishes share-based remuneration for the executive team, as part of total remuneration, which is in line with long-term shareholder interests and objectives.
- Defers over time the delivery of part of the shares to ensure that no remuneration is paid based on incorrect results (rules on clawback and malus).
- Complies with reporting requirements regarding the metrics used with respect to institutional shareholders.

The Plan consists of the allocation of Restricted Stock Units ("RSUs") that will allow participants to receive DIA shares in the future (the "Shares"), subject to certain metrics and shareholder returns. The number of RSUs allotted will depend on the level of the participant's responsibility within the organization. Each RSU entitles the participant to receive one share in DIA if certain conditions are met.

The company intends to propose a new allotment in accordance with the Plan for approval by the General Shareholders' Meeting every two years (the first allotment took place in 2014 and the second allotment will take place in 2016, thereby creating overlapping cycles).

The rest of the contents of this section are set out in the appendix to this Report.

A.5 Explain the main features of the long-term savings systems, including retirement and any other pension benefits partially or fully financed by the company, whether provided internally or externally, with an estimate of their amount or equivalent annual cost, specifying the kind of plan, whether it is defined contribution or benefits, the conditions for consolidation of the economic rights in favour of the Directors and their compatibility with any kind of severance pay for early dismissal or termination of the contractual relationship between the company and the director.

Moreover, specify the contributions in favour of the director to defined contribution pension plans; or the increase in the director's consolidated rights, when they involve contributions to plans with defined benefits.

Explain long-term saving systems

The company has no long-term savings schemes for any of its Directors. As regards the executive Director, section A.3 describes payments made under the so-called pension assistance.

A.6 Specify any remuneration agreed or paid in the case of dismissal of a director from his/her post.

Explain the remuneration

On the date of this Report, there are no golden parachute or severance pay clauses agreed by DIA in the case of dismissal of the company's Directors from their posts as such.

A.7 Specify the conditions that must be observed in the contracts of those performing senior management duties, such as executive Directors. Among others, information must be provided about the terms, the limits in the amounts of severance pay, permanence clauses, prior notice terms, and payment as replacement of the aforementioned prior notice, and any other clauses related to recruitment bonuses and severance pay or golden parachute clauses due to early dismissal or termination of the contractual relationship between the company and executive director. Include, inter alia, any non-competition, exclusivity, permanence or post-contractual loyalty and non-competition clauses or agreements.

Explain the terms and conditions of the executive Directors' contracts

The essential terms and conditions that must be observed in the contracts of those performing senior management duties, such as the executive director.

The essential terms and conditions of the executive director's contract are the following, among others:

- Term: Indefinite
- Prior notice term: In the case the executive director resigns or voluntarily leaves the company, he must send written notice to the company specifying this fact at least three months before the effective date of his resignation or when he will leave the company.
- On the other hand, in the case the company dismisses the director, it must provide at least six months prior notice before the effective date of such dismissal.
- Severance pay: The executive director's contract specifies that he is entitled to severance pay if the company decides to terminate his contract and labour relationship or any other contractual relationship, for any reason that is not fair disciplinary dismissal declared by the labour jurisdiction or in the case of termination of his contract and labour relationship due to the company changing hands, equivalent to 45 days' pay for each

year worked (for the period between 24 November 1986 and 30 April 2009), plus eight days pay for each year worked (for the period beginning on 1 May 2009 until the date the contract and the labour relationship is terminated) up to the limit of his last annual gross salary, excluding his salary in kind, capital gains or income received due to obtaining or exercising stock options or shares received free of charge or by virtue of other similar benefits.

- Exclusivity: The executive director's contract includes a condition that he must fully and exclusively render his services to the company and may not render his services or perform professional activities, by means of any kind of contractual relationship, for other persons or companies without the company's express prior consent.

- Permanence: The executive director's contract does not include any permanence or loyalty clauses.

- Non-Competition: The executive director's current contract does not include any post-contractual non-competition clauses.

As a result of the process of adaptation to the requirements of Law 31/2014 that modified the Spanish Companies Act, the Board will review the contract with the executive director in order to include in it the appropriate amendments within the framework of the remuneration policy of the Company and its internal regulations, which will be communicated in the Remuneration Report of next year. To this end, among these changes, the Board of Directors will consider the possibility of including a not post contractual competition clause in the terms and conditions commonly applicable to comparable companies, which clause would, if appropriate, be remunerated as per market standards and in an amount pending to be agreed, but which, on an annual basis, would not exceed his total remuneration.

A.8 Explain any supplementary remuneration earned by the Directors as consideration for the services they render other than those related to their posts.

Explain supplementary remuneration

The Directors earn no supplementary remuneration as consideration for the services they render other than those related to their posts.

A.9 Specify any remuneration paid as advances, credits and guarantees granted, stating the interest rate, their essential features and the amounts possibly reimbursed, as well as the commitments undertaken on behalf of each one as a guarantee.

Explain the advances, credits and guarantees granted

There are no advances, credits or guarantees of any kind granted by the companies in the DIA Group to their Directors.

A.10 Explain the main features of the remuneration in kind.

Explain the remuneration in kind

The company has taken out a third party liability insurance policy in favour of its Directors and executives for a maximum coverage amount of €25,000,000.

In addition, DIA has undertaken the following commitments for the executive director:

- The cost of a life insurance policy, covering his death for any reasons (distinguishing the events of "any reasons", accident and traffic accident) and full permanent disability with an annual premium of € 1,159.
- The cost of a health care coverage insurance policy with a premium of € 699.
- He is allowed to use a company car, according to the company's policy with a cost of € 4,901.

A.11 Specify the remuneration received by the director by virtue of the payments made by the listed company to a third company where the director renders his services, when the purpose of such payments is to remunerate the services rendered thereby in such company.

Explain the remuneration received by the director by virtue of the payments made by the listed company to a third company where the director renders his services

The executive director is not paid any remuneration as a director in other companies in the DIA Group.

A.12 Any other remuneration item different to the previous ones, whatever its nature may be or the company in the group that pays it, in particular when it is considered a related transaction or the granting thereof distorts the true image of all the remuneration payable to the director.

Explain the other remuneration items

There are no other different or additional remunerations to those described in this report remuneration.

A.13 Explain the measures the company has adopted related to the remuneration system to reduce excessive risks of exposure and to adapt it to the company's long-term values and interests, which must include, if any, a reference to the following: the measures planned to guarantee that the remuneration policy takes into account the company's long-term profits, measures that determine a suitable balance between the fixed and variable components included in the remuneration, measures adopted related to the jobs of staff whose work has a significant impact on the company's risk profile, reimbursement formulae or clauses to be able to claim the refund of the variable components included in the remuneration based on the profits and losses, when such components have been paid taking into account data that have been clearly proven inaccurate afterwards and the measures applied to avoid conflicts of interests, if any.

Explain the actions adopted to reduce risks

Through its Board of Directors and the NRC, DIA Group performs ongoing supervisory and review duties for its Directors' remuneration policy.

Therefore, pursuant to Article 38.4 of Board of Directors' Regulations, the NRC is responsible for the following duties:

- Propose to the Board: (i) the system and amount for the Directors' annual remuneration, (ii) the individual remuneration of the executive Directors and senior executives and the other terms and conditions in their contracts, and (iii) the basic terms and conditions for the senior executives' contracts;
- It analyses, draws up and regularly reviews the applicable remuneration policy for the executive Directors and the executive team, including the stock remuneration systems and their application, and it guarantees they are in proportion to the amounts paid to other Directors and members of the executive team and other members of the company's staff;
- It supervises that the remuneration policy determined by the company is observed; and
- It assists the Board of Directors in drawing up the report about the Directors' remuneration and it submits any other reports to the Board of Directors about the remuneration stipulated in the Board of Directors' Regulations.

Pursuant to Article 31 of the company's By-laws and Article 5 of the Board of Director's Regulations, the Board is responsible for the approval of the company's policies and strategies and certain operating decisions, including the following:

- It approves the remuneration policy and assesses the performance of the executive team.
- It determines the control and risk management policy, identifying the company's main risks and organising the suitable internal control and IT systems.
- It approves the severance pay clauses for the company's senior executives and for the rest of the executive team.
- It determines the remuneration policy and the Directors' remuneration, pursuant to the By-laws and within the limits stipulated therein, according to a proposal made by the NRC.
- It determines, in the case of executive Directors, any additional remuneration for their executive duties and other terms and conditions that their contracts must observe.

By virtue of the foregoing, the remuneration systems for the Directors implicitly include measures to control excessive risks in their design, as follows:

- The remuneration of the Directors for their duties as such is limited to cash-settled per diem payments and a fixed amount, within the limits determined by the General Shareholders' Meeting and the Board of Directors, which, among other measures, may determine a total amount lower than that stipulated by the General Shareholders' Meeting or eliminate per diems.
- 50% of such fixed remuneration must be paid by granting DIA shares.
- All the Directors (including the remuneration paid to the executive for such item) must keep such shares until they step down from office as Directors.
- The additional fixed remuneration, along with the variable remuneration, is only applicable to the executive director, and he receives this for his executive duties, apart

from those related to his position as director and regardless of his remuneration as a member thereof.

- The variable remuneration is linked to the corporate business targets and special quality and quality targets being achieved.

The company deems that the fixed remuneration of the Directors who perform executive duties implies a sufficiently high part of the total remuneration, enables flexibility measures to be adopted for the variable remuneration and it may even be entirely eliminated.

The executive director also takes part in the Incentive Plan 2011-2014 and in the Incentive Plan 2014-2016 (the Incentive Plans), also associated with compliance with a set of certain target business objectives and key indicators evaluated on a pluri-annual basis. Both Incentive Plans contribute to aligning the interests with the shareholders of DIA Group so that the amount of both Incentives is linked with creating value for the shareholders through the TSR indicator and by payment by granting the company's shares.

According to the provisions in Article 32 of the Board of Directors' Regulations, where it is determined that a large part of the variable remuneration must be deferred for a minimum period of time, the Incentive Plans include a deferred payment schedule for the executive director and the shares are delivered: (i) in the case of the Incentive Plan 2011-2014, in April 2015 (60% of the number of shares he is entitled to), December 2015 (20% of the number of shares he is entitled to) and September 2016 (20% of the number of shares he is entitled to receive) and (ii) in the case of the Incentive Plan 2014-2016, no later than April 30, 2017 (50% of the number of shares he is entitled to) and January 2018 (50% of the number of shares he is entitled to receive).

If the executive director does not remain in the company until each of the delivery dates for certain reasons it is possible that he will not receive any further shares within the scope of the Plan.

It should be remembered that the Board of Directors' Regulation stipulates, with respect to variable remuneration, the following rules regarding "*malus*" and "*clawback*":

- Of the variable remuneration items, a significant amount will be deferred for a minimum period in order to verify whether or not the established performance conditions are met.
- The portion of the remuneration subject to deferred payment will be determined based on the relative weight that the variable component has compared with the fixed component of the remuneration; and
- a clause will be included that will allow the company to claim reimbursement for any variable remuneration components when the payment has not been in line with the performance conditions or when it was paid based on information whose inaccuracy is manifestly demonstrated later.

B PLANNED REMUNERATION POLICY FOR FUTURE FINANCIAL YEARS

B.1 Provide a general forecast of the remuneration policy for future financial years that describes such policy regarding the following: fixed items and expenses and variable remuneration, the link between the remuneration and the profits, pension systems, terms and conditions for the executive Directors' contracts and a forecast of the most significant changes in the remuneration policy compared with previous financial years.

General forecast for the remuneration policy

The Board of Directors of DIA will, following the relevant reports from the NRC, adopt and periodically review the general principles of the Directors' remuneration policy, and will be responsible for supervising its application. To this end, the Board of Directors of DIA will review the principles and procedures of the Directors' remuneration policy annually, in order to include or, as the case may be, propose such changes, adaptations, implementing provisions or regulatory standards as may be appropriate.

During the time this policy is in force, the maximum amount of remuneration for Directors as member of the Board, including the remuneration for the executive director, is expected to remain the same.

The Board of Directors, through the Nomination and Remuneration Committee, reviews the objectives and amounts of the different existing remuneration schemes, in particular those applicable to executive Directors and the management team for fixed and variable remuneration, as well as participation in long-term incentive-based remuneration.

B.2 Explain the decision-making process for the determination of the planned remuneration policy for future years, and the role played, if any, by the remuneration committee.

Explain the decision-making process for the determination of the remuneration policy

No changes are foreseen to the decision-making process described in Section A.2 of this Report.

On an annual basis, the NRC reviews the criteria, amounts and objectives of the remuneration policy for members of the Board of Directors, as well as for the performance evaluation of Directors who perform executive functions, with the objective of proposing to the Board of Directors (and for the latter, in turn, to propose to the Shareholders' Meeting, if necessary) the adoption of the pertinent resolutions for complying with the policy and bringing it in line with the company's long-term goals, values and interests.

Additionally, the NRC is involved in the preparation of the "Annual Directors' Remuneration Report" prior to its formulation by the Board of Directors, which is subsequently submitted for a consultative vote by the General Shareholders' Meeting as a separate agenda item.

B.3 Explain the incentives created by the company in the remuneration system to reduce excessive risk exposure and to bring it in line with the company's long-term goals, values and interests.

Explain the incentives created to reduce risk

See Section A. 13 above.

The company has no plans to establish new incentives or to modify the existing ones in this regard which have been described in Section A.13 above, notwithstanding the possibility of continuing to have multi-year incentive plans in the future.

C OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE FINANCIAL YEAR JUST ENDED

C.1 Explain, in a nutshell, the main characteristics of the structure and remuneration items of the remuneration policy applied during the financial year just ended, giving rise to the individual remuneration earned by each of the Directors as itemised in Section D of this report, along with a summary of the decisions taken by the board for the application of such items.

Explain the structure and remuneration items of the remuneration policy applied during the year

The characteristics of the remuneration policy applied during 2014 are as follows:

The amount received by the Directors as members of the Board is 977,594 euros. The remuneration corresponding to 2014 in this connection has been the following:

- Ms. Ana María Llopis Rivas: 108,969 euros of payment in cash and 39,999 euros paid on financial instruments.
- Mr. Ricardo Currás de Don Pablos: 54,487.1 euros of payment in cash and 19,994.3 euros paid on financial instruments.
- Mr. Julián Díaz González: 69,769.6 euros of payment in cash and 37,300.4 euros paid on financial instruments.
- Mr. Richard Golding: 71,511.1 euros of payment in cash and 26,249.4 euros paid on financial instruments.
- Mr. Mariano Martín Mampaso: 63,702.7 euros of payment in cash 34,057.8 euros paid on financial instruments.
- Mr. Pierre Cuilleret: 69,769.6 euros of payment in cash 37,300.4 euros paid on financial instruments.
- Ms. Rosalía Portela de Pablo: 54,487.1 euros of payment in cash 19,994.3 euros paid on financial instruments.
- Mr. Antonio Urcelay Alonso: 54,487.1 euros of payment in cash 19,994.3 euros paid on financial instruments.

- Mr. Nadra Moussalem: 63,702.7 euros of payment in cash 34,057.8 euros paid on financial instruments.
- Mr. Nicolas Brunel: 63,702.7 euros of payment in cash 34,057.8 euros paid on financial instruments.

According to the above, total fixed remuneration paid to Directors as Board members during the year 2014 amounts to 977,594 euros. The abve referred financial instruments are DIA shares.

- No per diems were paid to Directors.
- Remuneration for Directors' positions was paid half in cash and half by delivery of company shares.
- The number of shares granted as remuneration to the Directors was calculated by reference to the result of dividing 50% of the remuneration payable to each director by a reference market price that, for the financial year 2014, was the Volume Weighted Average Price (hereinafter referred to as the VWAP) for the market prices for the DIA shares in the 15 stock exchange business days prior to 20 February 2014 (inclusive).
- Directors (including the Chief Executive Officer) are required to hold the shares until they cease to be Directors.
- In relation to the Chief Executive Officer, during year 2014 he received, in addition to the director remuneration in his capacity as such, the following fixed and variable amounts:
  - A fixed component of 465,000 euros.
  - A variable component of 417,150 euros.

  Furthermore, in 2014, the Chief Executive Officer continued his participation in the Incentive Plan described in Section A.4 above.

- As shown in the charts shown in section D.1 below, the difference in remuneration of Directors between the year 2014 and the year 2013 is due to the difference between the value of the share at the time of the award (that is, the date in which the relevant number of shares to be delivered to each Director was determined) and the due date for actual delivery of the financial instruments.

D ITEMISATION OF INDIVIDUAL REMUNERATION EARNED BY EACH DIRECTOR

Name	Type	2014 accrual period
ROSALÍA PORTELA DE PABLO	Independent	From 01/01/2014 to 12/31/2014.
ANTONIO URCELAY ALONSO	Independent	From 01/01/2014 to 12/31/2014.
MARIANO MARTÍN MAMPASO	Independent	From 01/01/2014 to 12/31/2014.
RICARDO CURRÁS DE DON PABLOS	Executive	From 01/01/2014 to 12/31/2014.
NICOLAS BRUNEL	Proprietary	From 01/01/2014 to 12/31/2014.
PIERRE CUILLERET	Independent	From 01/01/2014 to 12/31/2014.
JULIÁN DÍAZ GONZÁLEZ	Independent	From 01/01/2014 to 12/31/2014.
RICHARD GOLDING	Independent	From 01/01/2014 to 12/31/2014.
NADRA MOUSSALEM	Proprietary	From 01/01/2014 to 12/31/2014.
ANA MARIA LLOPIS RIVAS	Other external	From 01/01/2014 to 12/31/2014.

D.1 Complete the following tables on each director's individual remuneration (including remuneration for the performance of executive functions) earned during the financial year.

a) Remuneration earned at the company that is the subject of this report:

i) Remuneration in cash (in € thousands)

Name	Salaries	Fixed remuneration	Per diems	Short-term variable remuneratio n	Long-term variable remuneration	Remuneration for pertaining to Board Committees	Severance payments	Other items	Total for 2014	Total for 2013
JULIÁN DÍAZ GONZÁLEZ	0	49	0	0	0	21	0	0	70	73
RICHARD GOLDING	0	54	0	0	0	17	0	0	71	77
MARIANO MARTÍN MAMPASO	0	49	0	0	0	15	0	0	64	67
PIERRE CUILLERET	0	49	0	0	0	21	0	0	70	73

Name	Salaries	Fixed remuneration	Per diems	Short-term variable remuneratio n	Long-term variable remuneration	Remuneration for pertaining to Board Committees	Severance payments	Other items	Total for 2014	Total for 2013
ROSALÍA PORTELA DE PABLO	0	54	0	0	0	0	0	0	54	58
ANTONIO URCELAY ALONSO	0	54	0	0	0	0	0	0	54	58
NADRA MOUSSALEM	0	49	0	0	0	15	0	0	64	67
NICOLAS BRUNEL	0	49	0	0	0	15	0	0	64	67
ANA MARIA LLOPIS RIVAS	0	109	0	0	0	0	0	0	109	117
RICARDO CURRÁS DE DON PABLOS	465	54	0	417	0	0	0	15	951	912

ii) Share-based remuneration systems

ANA MARIA LLOPIS RIVAS

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7,648	5,23	40	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

RICARDO CURRÁS DE DON PABLOS

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
3.823	5,23	20	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

JULIÁN DÍAZ GONZÁLEZ

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7.132	5,23	37	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

RICHARD GOLDING
2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
5.019	5,23	26	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

MARIANO MARTÍN MAMPASO
2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
6.512	5,23	34	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

PIERRE CUILLERET

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7.132	5,23	37	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

ROSALÍA PORTELA DE PABLO

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
3.823	5,23	20	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

ANTONIO URCELAY ALONSO

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
3.823	523	20	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

NADRA MOUSSALEM

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
6.512	5,23	34	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

NICOLÁS BRUNEL

2014 fixed share-based pay

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
6,512	5,23	34	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

iii) Long-term saving systems.

	Annual company contribution (€ thousands)		Accrued funds amount (€ thousands)	
Name	2014	2013	2014	2013
ANTONIO URCELAY ALONSO	0	0	0	0
ANA MARIA LLOPIS RIVAS	0	0	0	0
JULIÁN DÍAZ GONZÁLEZ	0	0	0	0
MARIANO MARTÍN MAMPASO	0	0	0	0
NADRA MOUSSALEM	0	0	0	0
NICOLAS BRUNEL	0	0	0	0
PIERRE CUILLERET	0	0	0	0
RICARDO CURRÁS DE DON PABLOS	0	0	0	0
RICHARD GOLDING	0	0	0	0
ROSALÍA PORTELA DE PABLO	0	0	0	0

iv) Other benefits (€ thousands)

RICARDO CURRÁS DE DON PABLO			
Remuneration in the form of advances and loans granted			
Interest rate for the transaction		**Basic characteristics of the transaction**	**Any amounts reimbursed**
0.00		Not applicable	Not applicable
Life insurance premiums		**Company guarantees in favour of Directors**	
2014	**2013**	**2014**	**2013**
1	1	Not applicable	Not applicable

Remuneration earned by Directors due to membership on the boards of other group companies:

i) Remuneration in cash (in € thousands)

Name	Salaries	Fixed remuneration	Per diems	Short-term variable remuneration	Long-term variable remuneration	Remuneration for pertaining to Board Committees	Severance payments	Other items	Total for 2014	Total for 2013
ANTONIO URCELAY ALONSO	0	0	0	0	0	0	0	0	0	0
JULIÁN DÍAZ GONZÁLEZ	0	0	0	0	0	0	0	0	0	0
MARIANO MARTÍN MAMPASO	0	0	0	0	0	0	0	0	0	0
NADRA MOUSSALEM	0	0	0	0	0	0	0	0	0	0
NICOLAS BRUNEL	0	0	0	0	0	0	0	0	0	0
PIERRE CUILLERET	0	0	0	0	0	0	0	0	0	0
RICARDO CURRÁS DE DON PABLOS	0	0	0	0	0	0	0	0	0	0
RICHARD GOLDING	0	0	0	0	0	0	0	0	0	0
ROSALÍA PORTELA DE PABLO	0	0	0	0	0	0	0	0	0	0
ANA MARIA LLOPIS RIVAS	0	0	0	0	0	0	0	0	0	0

ii) Share-based remuneration systems

ANA MARÍA LLOPIS RIVAS

Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

ANTONIO URCELAY ALONSO

Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

JULIÁN DÍAZ GONZÁLEZ
Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

MARIANO MARTIN MAMPASO
Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

NADRA MOUSSALEM
Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

NICOLÁS BRUNEL
Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

PIERRE CUILLERET

Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

RICARDO CURRÁS DE DON PABLOS

Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable

Conditions: not applicable

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable

Other conditions for exercise: Not applicable

RICHARD GOLDING

Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

ROSALÍA PORTELA DE PABLO

Not applicable

Date implemented	Options held at the start of 2014				Options allotted during the year			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
1/1/2014	0	0	0,00	Not applicable	0	0	0,00	Not applicable
Conditions: not applicable								

Shares delivered in 2014			Options exercised in 2014				Unexercised expired options	Options at the end of 2014			
No. of shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€k)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
0	0,00	0	0,00	0	0	0	0	0	0	0,00	Not applicable
Other conditions for exercise: Not applicable											

iii) Long-term saving systems

c) Summary of remuneration (in € thousands):

The summary must include the amounts relating to all remuneration items included in this report that have accrued to the Director, in thousand euro.

In the case of long-term saving systems, the contributions or allocations made to this type of system will be included.

	Remuneration earned at the Company				Remuneration earned at Group companies			Totals			
Name	Total cash remuneration	Amount of shares granted	Gross profit from options exercised	2014 company total	Total cash remuneration	Amount of shares delivered	Gross profit from options exercised	2014 total group	2014 total	2013 total	Contribution to savings systems during the year
RICARDO CURRÁS DE DON PABLOS	951	20	0	0	0	0	0	0	971	9.370	0
JULIÁN DÍAZ GONZÁLEZ	70	37	0	0	0	0	0	0	107	120	0
RICHARD GOLDING	71	26	0	0	0	0	0	0	97	110	0
MARIANO MARTÍN MAMPASO	64	34	0	0	0	0	0	0	98	110	0
PIERRE CUILLERET	70	37	0	0	0	0	0	0	107	120	0
ROSALÍA PORTELA DE PABLO	54	20	0	0	0	0	0	0	74	83	0
ANTONIO URCELAY ALONSO	54	20	0	0	0	0	0	0	74	83	0
NADRA MOUSSALEM	64	34	0	0	0	0	0	0	98	110	0
NICOLAS BRUNEL	64	34	0	0	0	0	0	0	98	110	0
ANA MARIA LLOPIS RIVAS	109	40	0	0	0	0	0	0	149	168	0
TOTAL	1.571	302	0	0	0	0	0	0	1.873	1.951	0

D.2 State the relationship between the remuneration obtained by the Directors and the entity's results or other performance measurements, explaining, as pertinent, how changes in company performance may have influenced the change in the Directors' remuneration.

The annual variable remuneration applied to the Chief Executive Officer takes into account the achievement of certain qualitative and quantitative business targets with a direct impact on the company earnings.

The variable remuneration for 2014, taking into account the level of achievement of targets for that year, amounted to 375,394,5 euros, a 80.73% of his fixed remuneration, to be received in 2015.

The variable remuneration has been established by the Board of Directors in light of the excellent results obtained at Group level under the leadership of the executive Director. For these purposes, all relevant targets and objectives set as part of the remuneration packcage have been assessed with all due care, both in terms of market share, EBITDA, stock days, and sales evolution, as well as those set as qualitative and individual objectives.

D.3 Report the result of the consultative vote by the general shareholders' meeting on the annual report on prior-year remuneration, indicating the number of votes against, if any:

	Number	**% of total**
Votes cast	382,393,404	58.73 %

	Number	**% of total**
Votes against	24,184,333	6.32 %
Votes in favour	358,200,129	93.67 %
Abstentions	8,942	0.00 %

E OTHER INFORMATION OF INTEREST

If there is any relevant aspect of director remuneration that it has not been possible to set out in the other sections of this report, but which it is necessary to include for more complete and reasoned information on the remuneration structure and practices of the company with its Directors, describe it briefly.

This report sets out the company's remuneration policy for the members of its Board of Directors which has been prepared in accordance with the provisions of Article 541 of the Spanish Companies Act, which establishes the obligation of listed companies to prepare an annual report on director remuneration, in accordance with the content, format and structure stipulated by Order ECC/461/2013 (20 March) and the National Stock Market Commission Circular 4/2013 (12 June).

Article 529 novodecies of the Spanish Companies Act stipulates that the Directors' remuneration policy must be approved by the General Shareholders' Meeting at least every three years as a separate point in the agenda. However, in accordance with the content of the Transitional Provision of Law 31/2014, in the event that the first ordinary General Shareholders' Meeting that is held after 1 January 2015 approves, on a consultation basis, the Directors' remuneration report, it will be understood that the company's remuneration policy set out there in has also been approved for the purposes of Article 529 novodecies, and that Article is applicable to that company as from that time.

In application of the content of the aforementioned Transitional Provision, this report has been approved, at the proposal of the Nomination and Remuneration Committee, by the Board of Directors of the company on February 20th 2015, for the purposes of being submitted to a consultation vote by the company's General Shareholders' Meeting as a separate point in the agenda, thereby complying, if this report is approved by the General Shareholders' Meeting, the content of the aforementioned Article 529 novodecies of the Spanish Companies Act. The remuneration policy included in this report will remain in force for the following three years after that in which it is approved by the General Shareholders' Meeting.

This policy has been approved by the Board of Directors, taking into account the legal changes included in the aforementioned Spanish Companies Act, thereby complying with the provisions relating to Directors' remuneration established in the Spanish Companies Act. This policy has been approved taking into account the company's internal regulations (By-laws and Board of Directors' Regulations) in force at the time the policy was approved. To the extent that the company's internal regulations are amended to adapt to the content of the Spanish Companies Act, (which will be proposed at the following General Shareholders' Meeting), this policy will consequently be modified.

This annual remuneration report was approved by the company's Board of Directors at its meeting held on February 20, 2015.

Indicate whether any Directors voted against or abstained in connection with the approval of this Report.

Yes ☐ No x

Annex I

APPENDIX TO THE ANNUAL REPORT ON THE REMUNERATION PAID TO DIA'S DIRECTORS

Section A.1

- The remuneration is assigned for the performance of executive duties in accordance with the policy established for senior executive remuneration and in accordance with that established in their respective contracts.
- It represents a balanced and efficient relationship between fixed and variable components.
- The variable remuneration paid to the executive Director is configured with a medium and long-term outlook, which encourages action in strategic terms, in addition to attaining short-term results.
- The remuneration system is compatible with the adequate and effective management of risk and the business strategy, DIA's long-term values and interests, without the variable remuneration threatening the company's capacity to maintain adequate solvency and financial situation.
- It takes into account market trends and positions itself in that respect in accordance with DIA's strategic outlook, and it is effective in attracting and retaining the best professionals.

  The remuneration policy is therefore oriented towards generating value for the company, seeking to align shareholder interests with the prudent management of risk and strict compliance with current legislation regarding the remuneration paid to the Directors of listed companies.

  In addition to remuneration perceived as Board member, the remuneration package for the executive Director in 2015, Mr. Ricardo Currás de Don Pablos, who held the position of Chief Executive Officer, consists of the following:

  - A fixed salary of 600 thousand for 2015, which is intended to provide remuneration for the performance of his executive duties.
  - A bonus target or reference target that (in 2015) is equivalent to 100% of his fixed remuneration providing 100% of the targets were achieved. Since the annual variable remuneration system may vary from between 0% and 200% of the bonus target, the executive Director’s annual variable remuneration could theoretically be from 0% to 200% of his fixed remuneration.
  - There is some additional remuneration in kind that is detailed in section A.10 below.
  - Taking part in the Long-Term Incentive Plan 2011 - 2014, as described in section A.4 below, is linked to conditions and strategic targets in the period 2011 - 2014 and will be provided in shares in the financial years 2015 and 2016.
  - Taking part in the Long-Term Incentive Plan 2014-2016, as described in section A.4 below, consisting of the assignment of Restricted Stock Units (RSUs), which will be provided in DIA shares in 2017 and 2018, subject to certain conditions and strategic targets for the period 2014 — 2016.

Section A.4

The description of the metrics for the Plan 2014-2016 are as follows:

- Minimum Operational Performance ("MOP"): At the beginning of each LTIP 2014-2016 award, the Board will determine a MOP level based on its best assessment of the company specificities and challenges, market trends and competitors performances. If the MOP is met, the minimum number of RSUs will vest in DIA shares. In particular, the MOP is established at a Cumulated Adjusted EBITDA of €1,861 m for the 2014–2016 period, following the adjustment made by the Company due to the exit of the France DIA Group and the acquisition of El Árbol.
- Total Shareholder Return ("TSR"): Provided that the MOP is achieved, the initial RSUs will be exchanged for DIA shares, according to the TSR range. The Plan TSR shall be measured from the weighted average prices of DIA's shares over the 15 days preceding the date of convening notice by the Board of Directors of the shareholders meeting which is to approve the Plan, (this is, preceding 19 March 2014) and the weighted average prices of the 15 days after the 2016 annual results announcement (from March 2014 - April 2017).
- Exclusively in the case of the CEO and CCO, the conditions precedent for receiving shares under the plan will include the following: Accumulated CAPEX and Accumulated Non Recurring Costs measured during the period 2014-2016. If the Accumulated CAPEX for the period 2014-2016 (€1,492.9 million) or the Accumulated Non Recurring Costs for the period (€178.6 million) are exceeded, no shares will be delivered to the CEO and CCO in accordance with the Plan.

The weight of each one of the above-mentioned metrics on the RSUs initially awarded to the executive Director is:

- 20% in the case of MOP; and
- 80% in the TSR.

Adjusted EBITDA is an internal metric of the operational profitability of the Company.

The Board has established an Adjusted EBITDA performance threshold that contributes to the sustainability of the Plan and avoids pay-outs based exclusively on TSR market performance.

The EBITDA level included in the Plan therefore sets a MOP, which works as a condition precedent for all participants to access any remuneration. The MOP threshold is introduced so that any award of shares under this Plan is acceptable for shareholders once a minimum operation performance level has been reached.

If the MOP threshold is not met, no shares will be awarded under the Plan, regardless of shareholder value performance.

MOP threshold balances and offsets the use of other share value indicators, such as TSR.

This MOP threshold is a minimum target which is lower than the more ambitious EBITDA targets which form part of more comprehensive strategic plans in the group.

In order to assess MOP, Cumulated Adjusted EBITDA is believed to be the best proxy for determining the minimum requested award to participants in terms of operational performance as well as the easiest metric for participants to follow.

The value set forth for 3 year period of the Plan is equivalent to a 3% compound annual growth rate of Adjusted EBITDA (figures calculated at financial year 2013 exchange rates), which is considered suitable.

When determining the MOP threshold, the Board has taken into account the current business plan and business environment, references to other companies of the retails sector and other sectors; in any case, said MOP threshold should be regarded as a minimum.

Likewise, it has been taken into consideration that, in the past few years, the Company has increased its operating profit, net profit and EPS faster than its EBITDA, and that this trend is expected to continue in the current context.

Cumulated Group Adjusted EBITDA, for the purposes of the Plan, indicates the operating profit after adding back all amounts provided for depreciation and amortization and certain non-recurring items, and includes all those elements of company profitability over which the management can exercise control.

It is noticed the focus of shareholders on revenue growth and the importance of the "quality" of the EBITDA growth. Even if there is no specific sales growth or "like for like" metrics, the quality of the EBITDA growth will ultimately be reflected in the share price of the Company and therefore will impact the TSR which is the most important driver of the LTIP.

As regards the use of the TSR metric, it should be noted that management remuneration must be in line with the Company's performance and with changes in the long-term value of the Company's shares.

Shareholders have a clear preference for financial measures linked to value creation. In this sense, TSR is the most widely used metric in the equity-based incentives implemented by companies.

In Spain, and according to the analysis carried out, many listed companies are currently using TSR as a metric in their equity-based incentives plans.

TSR, for the purposes of the Plan, measures the trend in value of DIA shares, during the relevant period, assuming that dividends or any other cash payment is reinvested in additional DIA shares on the date of payment.

The Plan uses TSR as an absolute indicator of value creation, this is, without contrasting the evolution of DIA's TSR against a given peer group. This is due to the following reasons:

- There are difficulties in identifying companies comparable to DIA in terms of size, admission to public trading, nature of formats, geographical exposure, risk exposure, etc.
- European retail food distributors are typically highly dependent on their domestic markets and country risk, making it difficult to establish a group of comparables.
- Choosing an imperfect peer group would create inefficient uncertainties for management linked to the specific risk of the Spanish market.
- In the Spanish market, adequate peer groups can be found, and are used, in certain industries (such as global telecommunications or banking and finance); however, for the food retail market, there are no comparable companies by industry in the Ibex-35 Index, or those companies which could be comparable by industry (i.e. Mercadona) are not listed.
- As regards other markets, companies that could be comparable by industry with DIA (e.g. Jeronimo Martins, Colruyt, Carrefour, Casino, Tesco, Sainsbury, Morrisons and others) hardly coincide in the geographic markets or formats in which the Company operates, and are thus not very effective peer groups.
- In addition, according to the best remuneration practices, relative TSR indicator should be risk aligned to account for the different risk profile of companies included in the sample.

According to all the above, the Board of Directors established that the most adequate way to reflect the value creation of the Company is to use this metric in absolute terms.

In any case, the existence of a previous minimum level of operational performance to access the incentive (MOP) partly mitigates the absence of a relative financial performance measure.

Under the Plan, Annual Absolute TSR may range between 0% and 15%, measured over the March 2014 - April 2017 period.

The proposed TSR range represents a reduction over the TSR range of the current incentive schemes (10% - 30%). This reduction is supported by the fact that the TSR of the current incentive scheme is based on a starting price that was a "technical price" derived from the listing of the Company and did not fully reflect the market value of the Company. Therefore, an annual TSR = 15% figure, at the current trading prices, represents a reasonably and ambitious value creation target that aligns the interests of the shareholders with the interests of the management and is also in line with equity investors' expectations.

The TSR used in the new Plan thus serves to better align the Company's overall remuneration policy with the remuneration levels at Spanish listed companies if its size.

Accordingly, the number of shares to be received at the end of the Plan is calculated based on a number of allotted units, to which the resulting sum of (i) a coefficient referring to the MOP threshold (and Accumulated CAPEX and Extraordinary Expenses at DIA Group in the case of the CEO and CCO) and (ii) a coefficient referring to the Annual TSR expressed as a percentage, is applied.

The final number of shares to be delivered could be reduced based on the number of days that the participant has effectively worked for DIA Group during the term of the Plan ("Presence Ratio").

The maximum number of shares to be granted to the executive Director is determined to be 378,762 shares.

Similarly, the Incentive Plan includes a deferred delivery schedule for the shares. The projected payment dates are: no later than April 30, 2017 (50% of shares), and January 2018 (50% of the shares).

The annual bonus system:

Among the members on the Board of Directors, the variable remuneration is only applicable to the executive Director. The variable remuneration is based on objective criteria that are intended to assess the contribution by the Director, while performing his executive duties, to achieving the business targets of the company and the DIA Group.

The targets to be used for the variable remuneration can include, among others:

(i) quantitative objectives (sales-related targets, both globally or on an separate basis; profit-related targets - e.g. evolution of distribution costs, of commercial margin, EBITDA, EBIT, net profit, profir per share, etc.; balce sheet-related targets - e.g. working capital evolution, CAPEX, debt,; quantitative objectives measuring evolution of any of the above targets against peer group companies - e.g. market share; being the weight of these targets over the total annual variable remuneration 70%, and

(ii) individual targets which, in turn, may include quantitative targets which may be priority targets from time to time in the Board's opinion for the success of the business in the short term, and qualitative or relating to short or long-term business development (e.g. consumer engagement; stronger organization; stakeholder relations and satisfaction), being the weight of these targets over the total annual variable remuneration 30%.

In the case of the executive Director, the Board of Directors at the proposal of the NRC is in charge of determining the amounts for the bonus target, the targets and the assessment of performance. Depending on the level the business targets are achieved, taken as a reference, and the assessment of the special targets, the annual variable remuneration of the executive Director may vary between 0% and 200% of the fixed remuneration. For the financial year 2015, the Board of Directors has determined a bonus target or reference bonus of 100% of his fixed remuneration in 2015 for the executive Director, which implies that the variable remuneration he will receive in the financial year 2016 could theoretically vary between 0% and 200% of his fixed remuneration in 2015.

The main parameters for the annual variable remuneration system were reviewed on an annual basis by the NRC, concluding that they were suitable for assessing the contribution made by the executive team, including the executive Directors, to the profits made by the DIA Group.

Annex II

Directors’ Consolidated Remuneration Policy of Distribuidora Internacional de Alimentación, S.A.

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1. Introduction: Legislative framework

On December 6, 2014 Law 31/2014, of December, 2014, amending the Spanish Companies Act to enhance corporate governance ("**SCA**") was published in the Official State Gazette. The amended SCA stipulates, inter alia, the need for listed corporate enterprises to have a remuneration policy for their Directors and to submit such policy to their approval by way of a binding vote of the shareholders' meeting of the enterprise, at least every three years.

With a view to complying with the provisions of the SCA, the Board of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. ("**DIA**" or the "**Company**"), at the proposal of the Nomination and Remuneration Committee ("**NRC**"), has approved the current remuneration policy.

The current policy was approved by the Board having regard to the statutory changes included in the aforesaid SCA, thus complying with the provisions on Directors' remuneration stipulated in the SCA. The current policy was also approved having regard to the Company's internal rules and regulations (bylaws and Board regulations) in force on the date of its approval. If the Company's internal rules and regulations have to be amended in order to be brought into line with the provisions of the SCA (as will be proposed at the next shareholders' meeting), the current policy will be modified accordingly.

The following is an analysis of the main aspects included by the SCA in connection with the obligations to approve the remuneration policy mentioned above.

1.1 Obligation to approve the Directors' remuneration policy

Article 529 *septdecies* of the SCA stipulates the obligation for listed companies to have a remuneration policy for their Directors detailing not only the various remuneration items that Directors are entitled to receive, as Directors, but also the characteristics and cornerstones of the remuneration of Directors who discharge executive functions at the company.

This policy should be approved at listed companies by the shareholders' meeting. Article 529 *novodecies,* subarticle 1, of the SCA introduces the obligation for listed companies to have the shareholders' meeting adopt a binding resolution on their Directors' remuneration policy at least once every three years, as a separate item on the agenda:

"1. The Directors' remuneration policy shall be brought into line, as necessary, with the remuneration policy provided for in the bylaws and shall be approved by the shareholders' meeting at least once every three years as a separate item on the agenda."

Article 529 *novodecies,* subarticle 3, provides that:

"3. The Directors' remuneration policy thus approved shall remain in force for three years after the year in which it was approved by the shareholders' meeting. Any amendment or replacement of the policy during that time shall require prior approval by the shareholders' meeting in accordance with the procedure established for its approval."

In connection with the procedure for approving the policy, Article 529 *novodecies*, subarticle 2, provides that the proposal for a remuneration policy must be reasoned and must be accompanied by a report from the NRC:

"2. The proposal for the Board's remuneration policy shall be reasoned and must be accompanied by a specific report from the nominations and remuneration committee. Both documents shall be made available to shareholders on the company's website as soon as the shareholders' meeting has been called, and shareholders may also ask to have it delivered or sent to them free of charge. The call notice of the shareholders' meeting shall mention this right."

1.2 Transitional regime

In connection with the approval of the Directors' remuneration policy, the SCA introduced a transitional provision with the following wording:

"2. Article 529 novodecies of the Revised Corporate Enterprises Law shall come into force on January 1, 2015 and shall apply to listed Spanish corporations in the following manner:

a) Where the first annual shareholders' meeting held after January 1, 2015 approves, on a consultative basis, the report on Directors' remuneration, the company's remuneration policy set forth therein shall also be deemed to have been approved for the purposes of article 529 novodecies, and such article shall apply to the company thereafter.

b) Where the aforesaid annual shareholders' meeting does not approve, on a consultative basis, the report on Directors' remuneration, the Director's remuneration policy must be submitted to the binding approval of the shareholders' meeting by the end of the following year, at the latest, pursuant to article 529 novodecies and with effects from the following year."

According to this transitional regime, the Directors' remuneration policy can be deemed to have been approved in 2015 if the shareholders' meeting of DIA to be held in 2015 approves the annual Directors' remuneration report ("**ADRR**") with a consultative vote.

Thus, if the shareholders vote in favor of the ADRR in the consultative vote at the 2015 shareholders' meeting, article 529 *novodecies* will be applied and the consequences thereof will be as follows:

- The Directors' remuneration policy described in the ADRR approved in a consultative vote at the 2015 shareholders' meeting will remain in force for three years after the year in which it was approved by the shareholders' meeting (i.e., through 2018).

- Three years after the approval of the ADRR by the 2015 shareholders' meeting (i.e., in 2018), the remuneration policy must again be submitted to a binding vote at the shareholders' meeting following a specific report from the NRC. This remuneration policy will remain in force for three years after its approval (i.e., 2019, 2020 and 2021).
- If any amendment not reflected in the ADRR approved by the 2015 shareholders' meeting is made to the remuneration policy, a new approval by the shareholders' meeting will be required.

Pursuant to the transitional provision in the SCA, the Board of DIA has resolved:

(i) to approve the Company's current Directors' remuneration policy;

(ii) to avail itself of the aforesaid transitional provision in the SCA, and submit the 2014 ADRR to a consultative vote at the next shareholders' meeting. The 2014 ADRR will contain the principles and cornerstones of the current remuneration policy and, accordingly, its approval by the Company's shareholders' meeting will also entail the approval of the Directors' remuneration policy for 2015 and for the following three years.

2. DIA's internal rules and regulations

The remuneration of the Directors of DIA is determined pursuant to the legislation governing corporate enterprises, to the Company's bylaws and Board regulations and to the resolutions adopted by the shareholders' meeting.

The SCA stipulates that, among other non-delegable powers, the Board of a listed company has the power to make decisions relating to Directors' remuneration, in line with the bylaws and the remuneration policy approved by the shareholders' meeting.

2.1 Functions of the Board and of DIA's NRC

Pursuant to article 31 of the bylaws ("Authority of the Board"):

"(…)

4. In any case, the Board shall hold, on a non-delegable basis, all powers reserved to it directly, by law, as well as all others necessary for the diligent discharge of the general function of supervision. In particular, without limitation, the following powers are non-delegable powers of the Board:

(…)

(j) the approval of the remuneration policy for Directors and managers (…)."

In connection with the powers of the NRC, pursuant to article 42 of the bylaws of DIA ("The Nominations and Remuneration Committee"):

"(…)

3. The following powers shall fall to the nominations and remuneration committee in all cases, notwithstanding any other tasks that may be assigned to it by the Board at any given time:

(…)

(f) to propose to the Board (i) the system and amount of the Directors' annual remuneration, (ii) the individual remuneration of executive Directors and senior managers, as well as the other terms of their contracts; and (iii) the basic terms of the contracts of senior managers;

(g) to ensure compliance with the remuneration policy established by the Company;

(…)".

Article 5 of the Board regulations of DIA stipulates that the Board shall have the non-delegable power to establish the remuneration policy of the leadership team and to set the remuneration of Directors for their executive functions. Pursuant to article 38 of the Board regulations of DIA, on the NRC:

"Article 38. The Nomination and Remuneration Committee

(…)

4. The following powers shall fall to the nominations and remuneration committee in all cases, notwithstanding any other tasks that may be assigned to it by the Board at any given time:

(...)

(a) *to propose to the Board (i) the system and amount of the annual remuneration of Directors, (ii) the individual remuneration of executive Directors and senior managers, as well as the other terms of their contracts; and (iii) the basic terms of the contracts of senior managers;*

(b) *to analyze, formulate and review periodically the remuneration policy for executive Directors and for the management team, including share-based remuneration schemes and their application, and to ensure that such remuneration is proportional to that paid to other Directors and members of the management team and to other members of the Company's personnel;*

(c) *to ensure compliance with the remuneration policy established by the Company; (i) in general, to supervise compliance with the corporate governance rules applicable to the Company;*

(d) *to inform the shareholders of the discharge of their functions, assisting the shareholders' meeting in this connection; and*

(e) *to assist the shareholders' meeting in its preparation of the report on the Directors' remuneration policy and to forward to the Board any other reports on remuneration stipulated in these regulations.*

(...)."

Accordingly, DIA's bylaws and Board regulations regulate the specific functions of the Company's Board and NRC in connection with Directors' remuneration.

With respect to the principles for such remuneration, the following is stipulated in the bylaws and in the Board regulations.

2.2 DIA's internal rules and regulations

Both the bylaws and the Board regulations of DIA stipulate the principles and cornerstones on which the Directors' remuneration policy of the Company is based. In connection with Directors' remuneration, article 39 of the bylaws of DIA provides as follows:

"Article 39.- Directors' Remuneration

1. *Directors' remuneration shall consist of a fixed monthly emolument and of attendance fees for meetings of the Board and of its committees. The maximum amount of remuneration payable by the Company to its Directors for such items shall be stipulated by the shareholders' meeting and shall remain in force until a resolution is adopted to change it.*

2. *Each year the Board, within the limits set by the shareholders' meeting, shall stipulate the specific amount receivable by each Director, and may scale the amount receivable by each one according to:*

   (a) whether or not they are members of the Board's managing bodies;

   (b) the offices they hold on the Board or, in general,

   (c) their dedication to management tasks or to the service of the Company.

3. *The remuneration provided for in the preceding paragraph, payable for membership on the Board, shall be compatible with and independent from other amounts receivable by Directors as employees or independent professionals for the discharge of executive or advisory duties other than those of collective supervision and decision-making specific to their status as Director, which shall be subject to the applicable statutory regime.*

4. *Executive Directors may be compensated with the award of shares in the Company or in another company in the group to which the former belongs, of stock options or of instruments referenced to the market price of the shares.*

   Other Directors may be compensated with the award of shares, provided that they are obliged to keep the shares until they cease to be Directors.

   Where such remuneration refers to Company shares or to instruments linked to the market price of the shares, it must be approved in a resolution by the shareholders' meeting. The resolution shall state, as the case may be, the number of shares to be awarded, the exercise price of the option rights, the share value taken as a reference and the term of this form of remuneration.

5. *Directors' remuneration shall be reported in the notes to financial statements for each Director individually.*

   (...)".

The DIA's Board regulations stipulate the following additional provisions on Directors' remuneration:

"Article 32.- Directors' Remuneration

"(...)

6. *Directors' remuneration may also comprise variable remuneration linked to the performance of the Company or employee welfare systems.*

   The fixed remuneration must be sufficient for the Company to retain the variable remuneration if the Director fails to comply with the stipulated performance criteria.

   Any variable remuneration must be consistent with the professional performance of its beneficiaries and cannot simply derive from the general performance of the markets or of the industry in which the company operates or of other similar circumstances. In particular, variable remuneration items must:

   (a) be linked to predetermined and measurable performance criteria;

   (b) promote the sustainability of the Company on the long term and comprise non-financial criteria, such as compliance with rules and procedures, which are suitable to the creation of long-term value at the Company;

   (c) when paid, a significant portion must be deferred for a minimum time period in order to ensure that the stipulated performance criteria have been complied with;

   (d) the portion of remuneration subject to deferred payment shall be determined having regard to the relative weight of the variable remuneration when compared with the fixed remuneration; and

   (e) contractual agreements executed with Directors shall include a clause that enables the Company to demand the return of the variable remuneration items where their payment was not in line with performance criteria or where they were paid having regard to data clearly proven to be inaccurate thereafter.

7. *Payments for contract termination shall not exceed a stipulated amount equal to two years of the annual fixed remuneration and shall not be paid if the contract is terminated due to unsuitable performance.*

8. *With respect to nonexecutive Directors, the Board shall take all measures within its power to ensure that their remuneration, including any received as committee members, is consistent with the following criteria:*

   (a) the nonexecutive Director must be compensated according to his actual dedication, skills and responsibilities;

(b) the amount of the nonexecutive Director's remuneration must be calculated so as to offer incentives for dedication, but without constituting an obstacle to his independence; and

(c) the nonexecutive Director cannot be compensated with share-based remuneration, stock options or instruments linked to the share price, or with employee welfare systems financed by the Company for cases of resignation, death or any other. The foregoing limitation shall not apply to share-based remuneration where the award is conditional on the external Directors keeping the shares until they are removed from office as Directors.

9. Directors shall be entitled to the payment of duly supported travel expenses incurred to attend meetings of the Board or of its committees.

10. The Company may take out civil liability insurance for its Directors.

(...)".

According to all of the foregoing, the following is a description of the principles and cornerstones of DIA's Directors' remuneration policy.

3. General principles governing the remuneration policy for the Directors of DIA

3.1 Principles and cornerstones

When defining the Directors' remuneration policy, DIA's Board decided that the policy must be governed by the following principles:

- Prudence: the Board will endeavor to ensure that remuneration will be moderate and consistent with the trends and references concerning remuneration implemented in the market at companies with a similar size and activity, to align remuneration with the best market practices.

- Commitment: the aim of the remuneration policy will be to reward quality, dedication, responsibility, knowledge of the business and commitment to the Company and to the people who are in key positions and lead the organization.

- Alignment with earnings: the policy is based on the need for remuneration to be linked to the Company's earnings, such that the relative proportion of variable remuneration will be suitable to reward efficiently the achievement of targets and the contribution of value to the Company.

- External and internal equity. The external competitive environment and internal equity will be taken into account to set remuneration.

The aim behind the general principles and cornerstones of the remuneration system established for the Directors is for their remuneration to continue to be reasonably proportionate to the Company's importance, its economic position and the market standards of comparable companies. The established remuneration system, especially in the case of the executive Directors, is geared towards encouraging long-term profitability and sustainability for the Company and the necessary safeguards have been built in to prevent the taking of excessive risks and the rewarding of unfavorable results.

The remuneration system establishes a distinction between the Directors in their positions and those carrying on executive functions at the Company.

3.2 Characteristics of the Directors' remuneration policy for their services as such

The principles described in point 3.1 above governing the remuneration policy for DIA's Directors for their services are implemented with the following characteristics:

- It is transparent in the information on Directors' remuneration.

- It provides an incentive by rewarding their dedication, skills and responsibility, without constituting an obstacle to their duty of loyalty.

- Its principal component is a remuneration for belonging to the Board and, if applicable, to the Committee, which is complemented with per diems accrued in connection with the attending the Board and Committee sessions, and which are settled in cash.

- The fixed remuneration will depend on the functions or positions held on the Board and on its subcommittees.
- A portion of the fixed remuneration is awarded in shares, which must be held until they are removed from office as Directors.
- Directors will be paid for their expenses in relation to trips, travel and others incurred to attend the Company's meetings or to discharge their duties.

The objective of the parameters used to determine the various components of the Directors' remuneration package, in the case of external Directors is to compensate the Directors according to their professional worth and dedication to office and the responsibility they take on, while not allowing the remuneration they receive to affect their objectivity in acting in the company's interests.

3.3 Characteristics of the executive Directors' remuneration policy

The remuneration system for Directors performing executive duties at the Company is based on the remuneration policy for DIA's senior executives. The general principles and cornerstones of that system are as follows:

- Remuneration must be granted for the performance of executive duties according to the policy established for the remuneration of senior executives and according to the terms set out in their respective contracts.
- It must present a balanced and efficient relationship between the fixed and variable components.
- The variable remuneration of executive Directors must be designed as a medium- and long-term vision driving the Director's actions in strategic terms, as well as a means of achieving results in the short term.

- The remuneration system must be compatible with proper and efficient risk management, and with the Company's long-term business strategy, and interests, and it must be ensured that their variable remuneration cannot jeopardize the Company's ability to maintain its solvency and financial position.

- It must draw on market practices, and be positioned on the market in line with the Company's strategic plans, so as to result in providing an efficient tool to attract and retain the best professionals.

The remuneration policy is therefore geared towards creating value for the Company, seeking alignment with the shareholders' interests, with prudent risk management and with strict compliance with the legislation in force on Directors' remuneration at listed companies.

Below is a description of the Directors' remuneration, based on the principles and cornerstones explained above.

4. Directors' remuneration system for their services as such

The Directors' remuneration for their services as such consists of a sum established according to their position and responsibility- greater weight being given to the duties of Board Chairman and of President and members of Board Committees - and per diem fees for Board meetings or Board committee meetings.

The maximum remuneration for Directors as members of the Board, under any circumstances, cannot not exceed the maximum limit approved each year by the shareholders' meeting, though the Board may establish a lower amount.

For fiscal year 2015, the maximum limit on remuneration of the Directors as members of the Board amounts to € 1.500.000. For the valid term of this policy, the maximim limit on remuneration will remain in the same terms.

Of said amount, the Board has approved as fixed remuneration for fiscal year 2015 an amount of 1,055,000 euros. As per diems, the Directors will receive in cash 2,000 euros for attendance at each meeting of the Board of Directors, and 1,000 euros for attending Committees. These attendance fees will remain in the same terms during the valid term of this policy.

The Directors' fixed remuneration for their services as such is paid in a 50 percent portion in cash and the remaining 50 percent by awarding shares in the Company towards the end of the fiscal year. These shares are awarded net of the corresponding PIT withholdings, for which the Director is responsible.

The number of shares to be awarded as remuneration for their services as Directors is calculated by reference to a figure calculated by dividing 50 percent of each Director's remuneration by a reference share price that the Board uses, and matches the volume weighted average price (VWAP) from the closing prices for DIA shares in the 15 trading days on the stock market before the date of the Board meeting that prepares the financial statements.

- The Directors (including the executive Directors) must hold the shares they receive for this remuneration until they are removed from office as Directors.
- The detail of the remuneration is broken down by year in the relevant ADRR.

5. Remuneration system for executive Directors

The components of the remuneration system for executive Directors are:

5.1 Fixed remuneration

- Its aim is to reward performance of their executive duties. For the Company's only executive Director, his fixed remuneration amounts to € 600,000 in 2015. No variation in this remuneration during the term of the policy is foreseen.

- Given additional items of remuneration in kind including a life insurance policy with cover for death by any cause and total permanent disability, a medical insurance policy and the use of a Company vehicle, under DIA's policy in this respect.

The fixed remuneration and remuneration reviews for the positions of the executive Directors and members of DIA's Management Committee are based principally on market factors determined having regard to pay surveys and ad hoc specific studies prepared by external advisors in remuneration policies. The fixed remuneration for the executive Director has been established by the Board of Directors under the advice of external consultants (Russell Reynolds) in light of the duties effectively undertaken and the high responsibilities assumed by the executive Director. In addition, the Board believes that, in the current conditions and except for extraordinary circumstances, this fixed remuneration is duly aligned with remunerations paid by peer group companies both locally and internationally, and represents a fair assessment of the business knowledge, dedication and high level of commitment shown by the executive Director and leader of the DIA Group organization.

5.2 Variable remuneration

5.2.1 Annual variable remuneration

Within the Board, the variable remuneration will only apply to the executive Director as a percentage of his fixed remuneration. Variable remuneration is based on objective parameters aimed at assessing the Director's contribution, in performing his executive duties, to the business targets of the Company and of the DIA Group.

The targets for the variable remuneration are:

(i) quantitative objectives (sales-related targets, both globally or on an separate basis; profit-related targets - e.g. distribution costs, commercial margin, EBITDA, EBIT, net profit, profir per share, etc.; balance sheet-related targets - e.g. working capital evolution, CAPEX, debt; quantitative objectives measuring evolution of any of the above targets against peer group companies - e.g. market share), being the weight of these targets over the total annual variable remuneration 70%; and

(ii) individual targets which, in turn, may include quantitative targets which may be priority targets from time to time in the Board's opinion for the success of the business in the short term, and qualitative or relating to short or long-term business development (e.g. consumer engagement; stronger organization; stakeholder relations and satisfaction), being the weight of these targets over the total annual variable remuneration 30%.

In the executive Director's case, the setting of the percentage that it represents of the fixed remuneration, the targets and the performance appraisal will lie with the Board of Directors, which will subsequently determine the degree of achievement of the business targets used as reference and the assessment of the individual targets.

The executive’s annual variable remuneration may range between 0% and 200% of the annual fixed remuneration.

The annual variable remuneration system of managers, included the executive Director, has been analyzed in 2011 by the NRC and reviewed on an annual basis ever since, concluding that it is suitable to measure the contribution of the leadership team, including the executive Directors, to the results of the DIA Group. On an annual basis, the Board of Directors determines, at the proposal of the NRC, the quantitative and qualitative targets of the variable remuneration system, evaluating the achievement degree.

5.2.2 Long term variable remuneration

The executive Directors may take part in long-term incentive plans linked to strategic conditions and targets, and payable in cash or in shares, established by the Company for its senior executives. These plans shall recur over time, their successive approvals being proposed by the Board of Directors to the Shareholders’ Meeting.

(a) 2011-2014 incentive plan

The Company's Board approved on December 7, 2011, in light of the report and of the proposal by the NRC, an incentive plan for executives (the "**Incentive Plan I**") which includes the Company's executive Director.

The Incentive Plan I allows its beneficiaries to receive an incentive (the "**Incentive**") payable in DIA shares, linked to the fulfillment of a condition to stay at the company until each one of the respective award dates and to the fulfillment of given "conditions precedent" and business targets (Adjusted EBITDA and Adjusted EBIT). After fulfillment of the "conditions precedent" has been verified, the Incentive that will vest is calculated on the basis of a base incentive ("**Base Incentive**"), subject to the following (i) an initial target which must be achieved to be able to receive the incentive under the Plan, (ii) a presence ratio reflecting fulfillment of the condition to remain at the company and, lastly, (iii) a multiplier based on changes in the TSR ratio ("**Total Shareholder Return**"), measured over the term of the Plan. The Base Incentive is equal to beneficiary's fixed salary for 2011.

In the event of fulfillment of the "conditions precedent" and of the business targets, the multiplier tied to the TSR indicator determines the Incentive to be received, subject to the limit of 30%, above which the number of shares to be awarded to the beneficiaries whose degree of achievement of the target so permits, will remained fixed. The Incentive thus calculated will be paid in shares, by reference to the average listed price for DIA's shares in the 15 trading sessions on the stock market following the announcement of the annual results for 2014.

The upper limit on the number of shares to be awarded to the executive Director amounts to 432,514 shares. Similarly, the Incentive Plan I includes a schedule for deferred delivery of shares. In the case of the executive

Director, the scheduled payment dates are those initially provided, namely, before April 30 2015 (60% of the number of shares due), December 2015 (20% of the number of shares due) and September 2016 (the remaining 20% of the number of shares due).

(b) 2014-2016 Incentive Plan

The Company also has a long-term term plan (the "**Incentive Plan II**"), approved by the Company's shareholders' meeting in 2014, which consists of a grant of Restricted Stock Units ("**RSUs**") which will allow the participants to receive DIA shares in the future, subject to given metrics and to shareholder return. The number of RSUs granted depends on the participant's level of responsibility in the organization. Every RSU entitles the participant to receive one DIA share if certain conditions are met.

The aims sought with DIA's Incentive Plan II are:

- To attract and retain people who will make a greater contribution to the Company's results.
- To motivate participants to obtain solid long-term operating results.
- To align the executives' remuneration with the Company's and its shareholders' interests in relation to the term (multiyear) and the measurement of the results.
- To build up the executive team's investment in the company's capital stock.
- To align the measurement period with the Company's business cycle and strategy.

To achieve this, the Plan:

- Establishes transparent and demanding targets measured on a long-term basis (three years).
- Includes metrics and vesting conditions which are clearly linked to the achievement of demanding financial and operating targets and which increase value for shareholders.
- Uses a single operating and shareholder return metric to give a more complete view of the company's performance.
- Establishes for the leadership team, the delivery of a portion of their total remuneration in share-based remuneration, which is in step with the shareholders' long-term interests and targets.
- Defers the delivery of a portion of the shares to ensure that remuneration is not paid on the basis of incorrect results (malus and claw-back rules).
- Fulfills the requirements for disclosure to the shareholders of the metrics employed.

The Incentive is linked to Minimum Operational Performance ("**MOP**"). Each time the Incentive Plan II is granted, the Board determines a MOP level based on its best estimate of the Company's specific requirements and challenges, market practices and the performance of competitors. If the MOP level is achieved, a minimum number of RSUs will be converted into DIA shares. As a result of the changes in perimeter experienced by the DIA Group, MOP has been reviewed by the Board of Directors at the proposal of the NRC, establishing a new MOP of €1,861 m of a Cumulated Adjusted EBITDA for 2014 – 2016.

If the MOP level is achieved, the initial RSUs will be converted into DIA shares, in accordance with the TSR obtained. The TSR for the Plan will be measured taking as the market value the weighted average prices for DIA shares relating to the 15 trading sessions on the stock market before the date on which the Board calls the Shareholders' Meeting that approved the Plan, which was €6.1384), as well as the weighted average prices for the 15 trading sessions on the stock market following the announcement date of the results for fiscal year 2016.

5.3 Welfare benefits

DIA will bear the cost of a life insurance policy for its executive Director, with cover for death by any cause (with distinction between the cases of any cause, by accident and by traffic accident) and total permanent disability.

Additionally, the Company has included the executive Director for the remuneration supplement called pension assistance, established by the Company for its executives, whereby, the Company pays a cash sum equal to two-thirds of the upper limit on the individual contribution set by the legislation on individual pension plans, in force at December 31, 2014, with an obligation for the employee to support the contribution made by him to his pension plan.

As a result of the amendment to the law on pension plans in Spain which has reduced the limit on annual contributions, the Board intends to analyze the option of using another procedure or vehicle to fund those payments, without giving rise to an increase in the amounts with respect to those currently contributed for the employees' benefit.

Except as far as the executive Director is concerned, no pension, life insurance or other obligations have been entered into with the Company's Directors.

5.4 Principal terms and conditions of executive Directors’ contracts

The main terms and conditions of the executive Director’s contract are as follows:

- Term: indefinite.

- Notice period: in the event of dismissal or resignation, the executive Director must send a written notification to the Company informing it of that circumstance at least three months before the effective date of the dismissal or resignation.

  For its part, the Company, in the event of unilateral withdrawal by the employer, must give six months’ notice before the effective date of the withdrawal.

- Severance: the Director’s contract states that he is entitled to receive a severance payment in the event the Company decides to terminate his contract and ordinary employment relationship together with any other contractual relationship, for any reason other than due to a disciplinary dismissal held to be justified by the labor courts, or in the event of termination of his contract and employment relationship due to a change in the ownership of the Company, in an amount equal to 45 days’ salary per year of service (for the period between November 24, 1986 and April 30, 2009), plus eight days’ salary per year of service (for the period between May 1, 2009 and the termination the of the contract and of the employment relationship) which cannot exceed the amount of his latest gross annual salary, not including any salary in kind, capital gains or revenues obtained from obtaining or exercising stock options or free shares or from other similar benefits.

- Exclusivity: the executive Director’s contract includes a condition that the services must be provided completely and exclusively for the Company and he cannot provide services or carry on professional activities, under any contractual relationship, to other individuals or entities, without the Company’s prior consent.

- Continuity: the executive Director’s contract does not contain any continuity or loyalty clauses.

- Non-compete clause: the executive Director’s current contract do not include a post-contractual non-compete clause.

In any case, the Board of Directors will review the contract with the executive Director and will include, if necessary, the appropriate amendments within the framework of the remuneration policy of the Company. To this end, among these changes, the Board of Directors will consider the possibility of including a not post contractual competition clause in the terms and conditions commonly applicable to comparable companies, which clause would, if appropriate, be remunerated as per market standards and in an amount pending to be agreed, but which, on an annual basis, would not exceed his total remuneration.

5.5 Addition of new executive Directors

In principle, the remuneration system and the basic contractual terms and conditions described above will also be applicable to any new executive Directors joining the Board while this policy is in force, by reference, in particular, to the duties assigned to them, the responsibilities they take on and their professional experience. In this respect, an amount of fixed remuneration commensurate with those characteristics will be established by a Board resolution, in line with the fixed remuneration of the current executive Director and by reference to the competitive environment, and also, the variable remuneration system set out in this policy will be implemented.

6. Implementation of the policy

Subject to the provisions in the SCA on the Directors' remuneration policy, DIA's Board, following the relevant reports of the NRC, will adopt and review periodically the general principles of the Directors' remuneration policy, and will be responsible for supervising its implementation. To that end, DIA's Board will carry out an annual review of the principles and procedures contained in this document, to include, or where applicable, propose the required amendments, adaptations, implementation rules or governing principles.

7. Term of the remuneration policy

Subject to the provisions in the SCA on the Directors' remuneration policy, the policies and procedures contained in this document will be valid in the year in which they are approved by the shareholders' meeting and in the following three years, except for any amendments, adaptations, updates or replacements that may be decided from time to time, which will be submitted to DIA's shareholders' meeting.