APPENDIX 1

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

IDENTIFYING DETAILS OF THE ISSUER

DATE OF END OF REFERENCE FINANCIAL YEAR	31/12/2013

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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 REMUNERATION PAID TO 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:

The Board of Directors:

- It 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;
- It 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;
- It endeavours to link the remuneration with 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
- It takes the external competitive environment and internal equality into consideration.

No significant changes are planned to be made to the directors' remuneration policy for the DIA Group compared with the one applied in the previous financial year, nor to the annual variable or fixed remuneration of the executive officer for performing his executive duties, except for the new Incentive Plan 2014-2016 mentioned below.

In the current financial year, the company is planning to implement a new Long-Term Incentive Plan for the financial years 2014 – 2016, addressed to executive directors and managers of DIA, which will consist of awarding Restricted Stock Units ("RSUs"), that will allow the participants to receive DIA shares in the future, subject to certain specified metrics linked to the EBITDA and the Total Shareholder Return, and that the beneficiaries maintain their relationship with DIA or any of its subsidiaries until the date stipulated in the Plan.

The details of the Plan, including the beneficiaries, conditions, metrics, assessment period, term, payment date and the reasons for its implementation and design are contained in the document attached in section E) "Other Information" in this report.

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 By-laws and Article 32 of the Board of Directors Regulations of DIA, being different depending on whether the directors are executive or non-executive.

In the case of non-executive directors, the remuneration mix is as follows:

- The fixed remuneration consists of a cash amount determined depending on their posts and duties, a greater weighting being placed on the duties of the Chairperson of the Board of Directors or its Committees.

In any case, this fixed remuneration may not exceed the maximum amount approved every year by the General Shareholders' Meeting and the Board of Directors may determine a lower amount. For the financial year 2013, the maximum aggregate amount approved by the General Shareholders' Meeting was €1,500,000.

- The directors are not reimbursed for the expenses they incur to attend the meetings of the Board of Directors or its Committees.
- 50% of the directors' remuneration is paid in cash and 50% by granting them company's shares.
- The number of shares granted as 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, for the financial year 2013, 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 2013 (inclusive).

- 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.

  In addition, the remuneration package for the executive directors in the year 2013, Mr. Ricardo Currás de Don Pablos, who held the position of Chief Executive Officer, consists of the following:

- The fixed salary that was determined as €456,000 for 2013 with the purpose of rewarding the performance of his executive duties and no significant changes are planned for this salary in the year 2014;
- A bonus target or reference target that, in 2013, was equivalent to 75% of his fixed salary 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 150% 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.

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.

The Board of Directors of the Company:

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 Articles of Association 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.

On 31 December 2013, the composition of the Nomination and Remuneration Committee was as follows: Mr. Pierre Cuilleret, independent external director, as Chairman, and Mr. Mariano Martín Mampaso, independent external director, and Mr. Nicolas Brunel, external proprietary director, as Members thereof.

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.

There were no changes in 2013 in the composition of the Nomination and Remuneration Committee.

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 five meetings in the year 2013. When performing its duties, the Nomination and Remuneration Committee uses external advisors to assess the Board of Directors and the structure of the remuneration policy for its directors, in particular, for the long-term incentive plans and for drawing up this Report. In the year 2013, the Company was assisted by Garrigues Human Capital Services 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 non-executive directors:

- In the year 2013, the amount of the components included in the fixed remuneration paid to the members of DIA's Board of Directors for their collective supervision and decision-making duties, approved by the General Shareholders' Meeting, was €1,050,000 with the following break-down by posts and duties:
  - The chairperson of the Board of Directors: €160,000
  - The members of the Board of Directors: €80,000
  - The chairperson of the Nomination and Remuneration Committee: €35,000 (additional)
  - The members of the Nomination and Remuneration Committee: €25,000 (additional)
  - The chairperson of the Audit and Compliance Committee: €35,000 (additional)
  - The members of the Audit and Compliance Committee: €25,000 (additional)
- For 2014, the Board of Directors has approved to maintain the same total maximum amounts and the same shares of the 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.
- It is not planned to pay any amount for expenses incurred to attend the meetings.

Moreover, the Chief Executive Officer, Mr. Ricardo Currás, is entitled to payment of additional fixed remuneration for performing executive duties that, in 2013, the Board of Directors determined at €456,000 and, in 2014, it has been determined at €465,000.

Similarly, 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.

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

On 7 December 2011, the Company's Board of Directors approved two remuneration and incentive plans for executives (hereinafter referred to as the Remuneration Plans), based on a report and proposal made by the Nomination and Remuneration Committee. Of the two plans approved, the Long-Term Incentive Plan 2011 – 2014 (hereinafter referred to as the Incentive Plan) includes the Company's executive director.

The Incentive Plan 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) a performance ratio depending on the level the business targets have been achieved and (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. The Incentive Base is calculated according to the beneficiary's fixed salary 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 number of times of fixed salary that the incentive can reach. Such multiplier is applied based on a TSR from 10% per annum up to 30% per annum. 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 includes a deferred delivery schedule for the shares. In the case of the executive director, the planned dates for payment are 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 remaining number of shares he is entitled to receive).

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 may be business' goals at the level of the DIA Group (for example, targets for market shares, adjusted EBIT, growth in sales in terms of like-for-like), and special targets, the weight of each of them being 70% and 30%, respectively. The special targets may include both quantity targets, which at a certain time are a priority according to the Nomination and Remuneration Committee's criteria for development of the business, and targets for quality or long-term business development.

In the case of the executive director, the Nomination and Remuneration Committee 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 bonus target or reference bonus initially set. For the financial year 2013, the Board of Directors has determined a bonus target or reference bonus of 75% of his fixed remuneration in 2013 for the executive director, which implies that the variable remuneration he will receive in the financial year 2014 could theoretically vary between 0% and 150% of his fixed remuneration in 2013.

As an exception, in the financial year 2013, extraordinary bonus was approved payable to certain executives of the company, among them, the executive director, linked to successfully concluding certain corporate reorganisation and integration transactions that took place in such year. The amount of this extraordinary bonus is 15% of his fixed salary in 2013 and it is not planned to be repeated in the future.

The main parameters for the annual variable remuneration system were reviewed in 2011, concluding that they were suitable for assessing the contribution by the executive team, including the executive directors, to the profits made by the DIA Group.

In the financial year 2014, it is expected that the variable remuneration will depend on the level the targets set for the financial year 2014 being achieved, having determined an annual bonus system equivalent to the one in force in the financial year 2013. Therefore, for the financial year 2014, the Board of Directors has determined a bonus target or reference bonus of 75% of his fixed remuneration in 2014 for the executive director, which implies that the variable remuneration he will receive in the financial year 2015 could theoretically vary between 0% and 150% of his fixed remuneration in 2014. In addition, as an exception, the Board of Directors has approved to grant an extraordinary bonus to the Chief Executive Officer and other members of the senior management to be paid in the financial year 2015, depending on whether certain business targets of the Group are achieved in the financial year 2014, the maximum amount of which will be 15% of their individual fixed remuneration in the financial year 2014.

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 the long-term savings systems

DIA undertakes to pay the costs for a life insurance policy in favour of the executive director, Mr. Ricardo Currás, which covers his death for any reasons (distinguishing the events of "any reasons", accident and traffic accident) and full permanent disability.

The amount paid for the premium for this item in 2013 is shown in section D.1 below.

Apart from that referring to Mr. Currás, there are no directors in the Company for whom any commitments have been undertaken related to pensions, life insurance policies or other commitments.

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

Explain the compensation

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 for 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 are as follows:

- 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 [ruled 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 contract does not include any post-contractual non-competition clauses.

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 the 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 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.
- The cost of a health care coverage insurance policy
- He is allowed to use a company car, according to the Company's policy.

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 remuneration items in addition or different to those described in this Report.

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 Nomination and Remuneration Committee, the DIA Group performs ongoing supervisory and review duties for its directors' remuneration policy.

Therefore, pursuant to Article 38.4 of the Company's Board of Directors' Regulations, the Nomination and Remuneration Committee is responsible for the following:

- 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 executives, 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.

Moreover, 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 Nomination and Remuneration Committee.
- 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 in the DIA Group 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 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 the payment of expenses.
- 50% of such 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.

Specifically, 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, similarly linked to a mix of certain strategic business targets and key indicators being achieved assessed within a pluri-annual framework. The Incentive Plan contributes to aligning the interest of the shareholders of DIA Group so that, although it is subject to performance and the rest of the targets and indicators, the amount of the Incentive is linked with creating value for the shareholders through the TSR indicator and by payment by granting the company's shares, calculating that such number of shares will be delivered in the first quarter of 2015.

Similarly, the Incentive Plan includes a deferred payment schedule that affects the executive director, implying that the shares will be delivered 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 remaining number of shares he is entitled to receive) 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.

If the executive director does not remain in the Company until each of the delivery dates for certain reasons (i.e. resignation, fair disciplinary dismissal) it is possible that he will not receive any further shares within the scope of the Plan.

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 does not foresee changes in its compensation policy in future years, except for the approval and implementation of the new Long-Term Incentive Plan.
The purpose of that plan is to simplify and give continuity to the Company's compensation policy in terms of medium-term share-based incentives.
The details of the new Plan, including beneficiaries, conditions, measurement periods, duration, contribution dates, as well as the basis for its implementation and design are contained in the document attached to Section E) "Other Information" of this Report.
In addition, the Board of Directors, through the Nomination and Remuneration Committee, reviews the objectives and amounts of the different existing compensation schemes, in particular those applicable to executive directors and the management team for fixed and variable compensation, as well as participation in medium-term incentive-based compensation.

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

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

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

On an annual basis, the Nomination and Remuneration Committee reviews the criteria, amounts and objectives of the compensation 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 Nomination and Remuneration Committee is involved in the preparation of the "Annual Directors' Compensation 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 compensation 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.

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

C.1 Explain, in a nutshell, the main characteristics of the structure and compensation items of the compensation policy applied during the financial year just ended, giving rise to the individual compensation 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 compensation items of the compensation policy applied during the year

As explained in previous sections, the characteristics of the compensation policy in force during 2013 are as follows:

• The aggregate maximum amount of compensation authorised by the General Shareholders' Meeting for the Board of Directors is €1,500,000. The approved amount for payment in the financial year 2013 is €1,050,000.

• The compensation approved for membership in the Board and in its different Committees was the following (gross theoretical amount):

o Chairperson of the Board of Directors: €160,000

o Board Member: €80,000

o Chairperson of the Nomination and Remuneration Committee: €35,000 (additional)

o Member of the Nomination and Remuneration Committee: €25,000 (additional)

o Chairperson of the Audit and Compliance Committee: €35,000 (additional)

o Member of the Audit and Compliance Committee: €25,000 (additional)

• No attendance fees were paid to the directors.

• Compensation for directors' positions was paid half in cash and half by delivery of Company shares.

The reference for the number of shares to be delivered as compensation for the position of director was calculated by dividing 50 % of each Director's compensation by the volume-weighted average (VWAP) of the closing DIA share price during the 15 market days prior to 20 February 2013 (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, the Board of Directors resolved to:

- Establish a fixed salary component for 2013 of €456,000; and

- Establish a target bonus or reference bonus of 75 % in the event of the achievement of 100 % of the objectives set in each case (which means that the variable compensation could in theory reach 150 % of the fixed compensation).

- Approve, on an exceptional basis to award an extraordinary bonus to certain senior executives of the Company, including the Chief Executive Officer, linked to the successful completion of certain corporate restructuring and integration transactions taking place during that year. The amount of this extraordinary bonus is 15 %of the 2013 fixed salary, and there is no intention to be repeated over time.

Furthermore, in 2013, the Chief Executive Officer continued his participation in the Incentive Plan described in Section A.4 above.

In this regard, during 2013, the General Shareholders' Meeting of the Company approved a specific amendment to the 2011 – 2014 Long-Term Incentive Plan, for executive directors, top managers and key employees, according to which in the event that the TSR ("Total Shareholder Return") indicator exceeds the maximum level of 30 %, the number of shares to be delivered to beneficiaries whose level of achievement of objectives so allows will remain fixed and will not be reduced.

The Shareholders' Meeting also resolved to replace the references to the maximum amount of the Incentive Plan, which will go on to be expressed in shares, with the maximum amount being 5,500,000 shares, of which a maximum of 432,514 may be attributed to the chief executive officer.

The resolutions adopted by the General Shareholder's Meeting were notified to the National Securities Market Committee (with initials in Spanish "CNMV") as a relevant fact on 26 April 2013.

In addition, during 2013, the Board of Directors informed the Incentive Plan participants of an adjustment to the "conditions precedent" and to the business targets to which said plan is pegged, as a result of the execution of certain corporate restructuring operations at DIA Group.

The amount broken down per item received individually by each member of the Board of Directors in 2013 is set out in the tables in Section D below.

D ITEMISATION OF INDIVIDUAL COMPENSATION EARNED BY EACH DIRECTOR

Name	Type	2013 accrual period
ROSALÍA PORTELA DE PABLO	Independent	From 01/01/2013 until 31/12/2013.
ANTONIO URCELAY ALONSO	Independent	From 01/01/2013 until 31/12/2013.
MARIANO MARTÍN MAMPASO	Independent	From 01/01/2013 until 31/12/2013.
RICARDO CURRÁS DE DON PABLOS	Executive	From 01/01/2013 until 31/12/2013.
NICOLAS BRUNEL	Proprietary	From 01/01/2013 until 31/12/2013.
PIERRE CUILLERET	Independent	From 01/01/2013 until 31/12/2013.
JULIÁN DÍAZ GONZÁLEZ	Independent	From 01/01/2013 until 31/12/2013.
RICHARD GOLDING	Independent	From 01/01/2013 until 31/12/2013.
NADRA MOUSSALEM	Proprietary	From 01/01/2013 until 31/12/2013.
ANA MARIA LLOPIS RIVAS	Other External	From 01/01/2013 until 31/12/2013.

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

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

i) Compensation in cash (in € thousands)

Name	Salary	Fixed Comp.	Attend. Fees	Short-term var. comp.	Long-term var. comp.	Board committee membership comp.	Termination benefits	Other items	2013 total	2012 total
JULIÁN DÍAZ GONZÁLEZ	0	51	0	0	0	22	0	0	73	117
RICHARD GOLDING	0	59	0	0	0	18	0	0	77	99
MARIANO MARTÍN MAMPASO	0	51	0	0	0	16	0	0	67	106
PIERRE CUILLERET	0	51	0	0	0	22	0	0	73	117

Name	Salary	Fixed Comp.	Attend. Fees	Short-term var. comp.	Long-term var. comp.	Board committee membership comp.	Termination benefits	Other items	2013 total	2012 total
ROSALÍA PORTELA DE PABLO	0	58	0	0	0	0	0	0	58	78
ANTONIO URCELAY ALONSO	0	58	0	0	0	0	0	0	58	78
NADRA MOUSSALEM	0	51	0	0	0	16	0	0	67	106
NICOLAS BRUNEL	0	51	0	0	0	16	0	0	67	106
ANA MARIA LLOPIS RIVAS	0	117	0	0	0	0	0	0	117	156
RICARDO CURRÁS DE DON PABLOS	456	58	0	392	0	0	0	6	912	0

ii) Share-based compensation systems

ANA MARIA LLOPIS RIVAS
2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	8,234	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
8,234	6.14	51	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

RICARDO CURRÁS DE DON PABLOS
2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	4,117	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
4,117	6.14	25	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

JULIÁN DÍAZ GONZÁLEZ

2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	7,679	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7,679	6.14	47	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

RICHARD GOLDING

2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	5,403	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
5,403	6.14	33	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

MARIANO MARTÍN MAMPASO

2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	7,011	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7,011	6.14	43	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

PIERRE CUILLERET

2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	7,679	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7,679	6.14	47	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

ROSALÍA PORTELA DE PABLO

2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	4,117	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
4,117	6.14	25	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

ANTONIO URCELAY ALONSO

2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	4,117	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
4,117	6.14	25	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

NADRA MOUSSALEM
2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	7,011	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7,011	6.14	43	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

NICOLAS BRUNEL
2013 fixed share-based pay

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	7,011	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	No. of Options	No. of Options	Shares allotted	Strike price (€)	Exercise period
7,011	6.14	43	0.00	0	0	0	0	0	0	0.00	Not applicable

Other conditions for exercise: Not applicable

iii) Long-term savings systems

Name	Annual company contribution (€ thousands)		Accrued funds amount (€ thousands)	
	2013	2012	2013	2012
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 (in € thousands)

RICARDO CURRÁS DE DON PABLOS			
Compensation 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	
2013	2012	2013	2012
1	1	Not applicable	Not applicable

b) Compensation earned by directors due to membership on the boards of other group companies:

i) Compensation in cash (in € thousands)

Name	Salary	Fixed Comp.	Attend. Fees	Short-term var. comp.	Long-term var. comp.	Board committee membership comp.	Termination benefits	Other items	2013 total	2012 total
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 compensation systems

ANA MARIA LLOPIS RIVAS
Not applicable

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 MARTÍN MAMPASO
Not applicable

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable
Conditions: Not applicable								

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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											

NICOLAS BRUNEL
Not applicable

Date implemented	Options held at the start of 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable
Conditions: Not applicable								

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable

Conditions: Not applicable

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable
Conditions: Not applicable								

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 2013				Options allotted during 2013			
	No. of Options	Shares allotted	Strike price (€)	Exercise period	No. of Options	Shares allotted	Strike price (€)	Exercise period
01/01/2013	0	0	0.00	Not applicable	0	0	0.00	Not applicable
Conditions: Not applicable								

Shares delivered in 2013			Options exercised in 2013				Unexercised expired op.	Options at the end of 2013			
No. of Shares	Price	Amount	Strike price (€)	No. of Options	Shares allotted	Gross profit (€m)	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 savings systems

c) Summary of compensation (in € thousands):

The amounts for all compensation items included in this report earned by the director must be included, in thousands of euros.

In the case of long-term Savings Plans, the contributions or allowances made to this type of system must be included:

Name	Compensation earned at the Company				Compensation earned at group companies				Totals		
	Total cash compensa-tion	Amount of shares granted	Gross profit from options exercised	2013 company total	Total cash compensa-tion	Amount of shares delivered	Gross profit from options exercised	2013 group total	2013 total	2012 total	Contribu-tion to savings systems during the year
RICARDO CURRÁS DE DON PABLOS	912	25	0	937	0	0	0	0	937	0	1
JULIÁN DÍAZ GONZÁLEZ	73	47	0	120	0	0	0	0	120		0
RICHARD GOLDING	77	33	0	110	0	0	0	0	110		0
MARIANO MARTÍN MAMPASO	67	43	0	110	0	0	0	0	110		0
PIERRE CUILLERET	73	47	0	120	0	0	0	0	120		0
ROSALÍA PORTELA DE PABLO	58	25	0	83	0	0	0	0	83		0
ANTONIO URCELAY ALONSO	58	25	0	83	0	0	0	0	83		0
NADRA MOUSSALEM	67	43	0	110	0	0	0	0	110		0
NICOLAS BRUNEL	67	43	0	110	0	0	0	0	110		0
ANA MARIA LLOPIS RIVAS	117	51	0	168	0	0	0	0	168		0
TOTAL	**1,569**	**382**	**0**	**1,951**	**0**	**0**	**0**	**0**	**1,951**	**0**	**1**

D.2 State the relationship between the compensation 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' compensation.

The annual variable compensation applied to the Chief Executive Officer takes into account the achievement of certain business targets with a direct impact on the Company earnings.

The variable compensation for 2012, taking into account the achievement of targets for that year, amounted to €384,000, received in 2013.

The variable compensation for 2013 amounts to €392,000. This increase in variable compensation is due to the change in indicators.

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

	Number	% of total
Votes cast	368,425,942	51.36%

	Number	% of total
Votes against	24,136,508	6.55%
Votes in favour	324,794,138	88.16%
Abstentions	19,495,296	5.29%

E OTHER INFORMATION OF INTEREST

If there is any relevant aspect of director compensation 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 compensation structure and practices of the company with its directors, describe it briefly.

After the Company's shares were admitted for trading, DIA implemented a Long-Term Incentive Plan which was approved by the General Shareholders' Meeting in June 2012 for the 2011 – 2014 period.

Based on the experience gained with the current plan, the feedback from investors and the advice from external advisors and now that the initial plan is close to expiration, the Board of Directors of DIA intends to sustain its long term remuneration policy by implementing a New Long Term Incentive Plan

DIA's LTIP pursues the following objectives:

- Attract and retain key performance contributors.
- Motivate participants to deliver strong long term operational results.
- Align the compensation of the management with the interests of the Company and its shareholders in terms of duration (multi-year) and performance measurement.
- Build management participation in the share equity of the Company- Align the performance period with the Company's business cycle and strategy.

In order to attain this, the Plan:

- Includes performance conditions that are transparent, demanding and measured on the long term (at least 3 years).
- Includes performance measures and vesting conditions clearly linked to the achievement of appropriately challenging operational and financial performance indicators which will enhance shareholder value.
- Uses a single operation metric and shareholder's return to provide a more complete picture of the Company's performance.
- Establishes equity based compensation for management, as part of its total remuneration, in line with long term shareholder interests and goals.
- Defers award of a proportion of the shares in order to increase emphasis on long term performance.
- Conforms to disclosure of performance measures to institutional shareholders.

The Plan consists of an award of Restricted Stock Units ("RSUs") that will allow the participants to receive DIA shares in the future subject to performance metrics and shareholder return.

The number of RSUs awarded depends on the status of the participant.

Each RSU gives the participant the right to receive a DIA share if certain conditions are met.

The Plan will be developed through the corresponding governing rules which will include a clause allowing the Company to claim the participant the total, or a portion of, the remuneration derived from the Plan, under certain circumstances ("clawback" clause).

The Plan is a single scheme, based on common principles and characteristics for all its participants, notwithstanding the existence of additional conditions for certain specific executives.

The Board intends to propose a new Plan award, for approval by the General Shareholders' Meeting, every 2 years, starting in 2014 (next award will take place in 2016, thereby creating overlapping cycles).

Beneficiaries: Up to 250 employees including the Chief Executive Officer ("CEO") and the Chief Corporate Officer ("CCO"), members of the Executive Committee (COMEX) and other managers with the status of "SDs" (Senior Managers) and "Ds" (Managers).

Metrics:

- Minimum Operational Performance ("MOP"): At the beginning of each LTIP award, the Board will determine a MOP level based on its best assessment of the company specificities and challenges, market trends and competitors performances. The Board will seek to establish a MOP level which is challenging enough for participants to motivate them to deliver above average operational performance but, at the same, is achievable within reasonable standards. 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 €2,030 m for the 2014–2016 period.

- Total Shareholder Return ("TSR Provided that the MOP (and Cumulated CAPEX and Cumulated Non Recurring Costs conditions precedents, in the case of CEO and CCO) 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 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) to the weighted average prices of the 15 days after the 2016 annual results announcement (March 2014 - April 2017).

The objective of the LTIP is to reward successful execution of the Company strategy and the creation of value for the shareholders throughout a period, in accordance with the Company's strategic goals.

Share-based long-term incentive plans are the most effective way to align the interests of key managers, the Company and the shareholders.

This annual compensation report was approved by the company board of directors at its meeting held on 19/03/2014.

Indicate whether any directors voted against or abstained on approval of this report.

Yes ☐ No ☒

INFORMATION ABOUT THE NEW LONG TERM INCENTIVE PLAN (LTIP) FOR EXECUTIVES OF DIA GROUP

1. Rationale of the Plan

Upon the initial listing of the Company in a Spanish stock exchange market, DIA implemented a Long Term Incentive Plan that was approved by the General Shareholders Meeting held in June 2012, covering the performance period of 2011 – 2014.

Once said plan is settled, the Company will disclose to the market the relevant information on the level of achievement of its objectives.

Based on the experience gained with the current plan, the feedback from investors and the advice from external advisors and now that the initial plan is close to expiration, the Board of Directors of DIA intends to sustain its long term remuneration policy by implementing a New Long Term Incentive Plan ("**LTIP**" or the "**Plan**").

DIA's LTIP pursues the following objectives:

- Attract and retain key performance contributors.
- Motivate participants to deliver strong long term operational results.
- Align the compensation of the management with the interests of the Company and its shareholders in terms of duration (multi-year) and performance measurement.
- Build management participation in the share equity of the Company.
- Align the performance period with the Company's business cycle and strategy.

In order to attain this, the Plan:

- Includes performance conditions that are transparent, demanding and measured on the long term (at least 3 years).
- Includes performance measures and vesting conditions clearly linked to the achievement of appropriately challenging operational and financial performance indicators which will enhance shareholder value.
- Uses a single operation metric and shareholder's return to provide a more complete picture of the Company's performance.
- Establishes equity based compensation for management, as part of its total remuneration, in line with long term shareholder interests and goals.

- Defers award of a proportion of the shares in order to increase emphasis on long term performance.

- Conforms to disclosure of performance measures to institutional shareholders.

We set forth below the characteristics of the Plan.

2. Description and overview of the Plan

The Plan consists of an award of Restricted Stock Units ("**RSUs**") that will allow the participants to receive DIA shares in the future subject to performance metrics and shareholder return.

The number of RSUs awarded depends on the status of the participant.

Each RSU gives the participant the right to receive a DIA share if certain conditions are met.

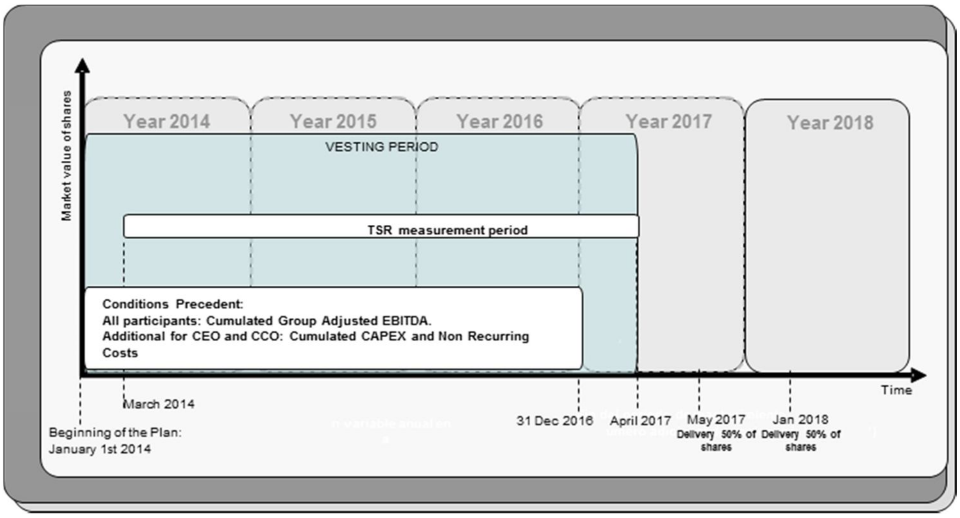
The Plan will be developed through the corresponding governing rules which will include a clause allowing the Company to claim the participant the total, or a portion of, the remuneration derived from the Plan, under certain circumstances ("*clawback*" clause).

The Plan is a single scheme, based on common principles and characteristics for all its participants, notwithstanding the existence of additional conditions for certain specific executives.

The Board intends to propose a new Plan award, for approval by the General Shareholders' Meeting, every 2 years, starting in 2014 (next award will take place in 2016, thereby creating overlapping cycles).

Characteristics of the Plan:

- Graphic representation:



- Beneficiaries: Up to 250 employees including the Chief Executive Officer ("**CEO**") and the Chief Corporate Officer ("**CCO**"), members of the Executive Committee (COMEX) and other managers with the status of "SDs" (Senior Managers) and "Ds" (Managers).

- Metrics:

  - **Minimum Operational Performance** ("**MOP**"):

    ✓ At the beginning of each LTIP award, the Board will determine a MOP level based on its best assessment of the company specificities and challenges, market trends and competitors performances. The Board will seek to establish a MOP level which is challenging enough for participants to motivate them to deliver above average operational performance but, at the same, is achievable within reasonable standards.

    ✓ 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 €2,030 m for the 2014–2016 period (figures calculated at financial year 2013 exchange rates and constant perimeter).

- ✓ This value represents a minimum 3% compound annual growth rate, which is understood to be sufficiently challenging as a minimum target in the current context.

- ✓ In any case, MOP, once reached, will only be responsible for the vesting of a low portion of the total maximum potential incentive (20% of the maximum potential shares for the CEO and 28% for the other COMEX members). The vesting of the remaining portion of the shares is purely based on TSR as described below.

- **Annual Absolute Total Shareholder Return (TSR):**

  - ✓ Provided that the MOP (and Cumulated CAPEX and Cumulated Non Recurring Costs conditions precedents, in the case of CEO and CCO) 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 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) to the weighted average prices of the 15 days after the 2016 annual results announcement (March 2014 - April 2017).

  - ✓ Therefore, provided always that MOP and other thresholds are met:

    - Annual TSR < 0% the participant will not vest any further RSUs.

    - Annual TSR ≥ 15% would allow participants to vest all RSUs awarded;

    - Intermediate TSR values will allow to vest a proportional number of RSUs.

- **Conditions precedent for CEO and CCO only:**

  ✓ The conditions precedent are Cumulated CAPEX and Cumulated Non Recurring Costs measured over 2014 – 2016.

  ✓ Cumulated CAPEX 2014–2016: €1,330 m.

  ✓ Cumulated Non Recurring Costs 2014–2016 (excluding LTIP costs and impairments): €148 m.

  ✓ If Cumulated CAPEX or Cumulated Non Recurring items levels are exceeded, no shares will be awarded to CEO and CCO under the Plan.

▪ Awards and Duration:

- RSU award in 2014.

- Share award date: 50% in May 2017 and 50% in January 2018.

	Value of RSUs vested as of the beginning of the plan, as X times Fixed Salary	
	CEO	Executive Committee CCO
MOP	1 (20%)	1(28%)
TSR	4 (80%)	2,75 (72%)
TOTAL	**5 (100%)**	**3,75 (100%)**

3. Fundamentals and analysis

The LTIP aims to reward the successful implementation of the strategy of the Company and the creation of shareholder value over a period appropriate to the strategic objectives of the Company.

Equity based long term incentive schemes are the most effective ways to align the interests of the key executives, the Company and its shareholders.

3.1 Metrics selected

The use of several metrics, including external and internal financial or operating metrics, is endorsed by proxy advisors' guidelines as a means to provide a more complete picture of the Company's performance.

Having operational metrics directly linked to the performance of the business is the best way to engage management in the fulfillment of the business plan and the strategy of the Company.

The selection of metrics faces certain challenges:

- Market share data is imperfect.
- The use of ROIC (Return on Investment Capital) as a ratio faces difficulties of its own: imperfect definition of invested capital, depending on accounting treatments, impairments and acquisitions.
- EBITDA (Earnings Before Interest Tax Depreciation and Amortization) offers simplicity and takes into account indicators subject to management performance; however, it does not take into account CAPEX (Capital Expenditure) and other non-recurrent costs or financial income.
- Net income takes into account many aspects outside of management scope of control: interest rate, tax rate, impairment of past acquisitions, other aspects over which the responsibility is shared with the board of directors (i.e. financial structure, dividend policy, buy-back programs, etc.).
- Management remuneration must be in line with company's performance and changes in the long-term value of the company's shares. TSR is an external metric that shows the total return to the shareholder expressed as an annualized percentage calculated considering the evolution in share value and distribution of dividends throughout a given period.

Considering all the above, the Plan is based on simplicity, solid operating performance, true value creation and long term commitment as described herein.

In spite of the lack of a solid peer group for performance comparison purposes (see section 3.1.3 for further detail), in the course of the Plan discussions, the incentive compensation practices of other public companies in Spain as well as international food retail groups has been reviewed.

In this regard, the metrics of the Plan are the following:

3.1.1 Cumulated Group Adjusted EBITDA

Adjusted EBITDA is an internal earnings margin metric that indicates 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 the LTIP is acceptable for shareholders once a minimum operation performance level has been reached.

If 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 differs from any and other 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), similar to other companies.

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 (as outline in the table above) the most important driver of the LTIP.

3.1.2 Conditions precedent: Cumulated CAPEX and Cumulated Non-Recurring Costs (CEO and CCO only)

As an operational profitability measure, Cumulated Group Adjusted EBITDA does not account for the impact of capital expenditures, non-recurring items or the generation of cash.

In order to prevent MOP from being met at the expense of returns, or incurring in an excess of Cumulated Non-Recurring items, it has been established two conditions precedent, which will apply only to the CEO and CCO:

- Cumulated CAPEX
- Cumulated Non-Recurring costs

If Cumulated CAPEX or Cumulated Non-Recurring items levels are exceeded, no shares will be awarded under the Plan, regardless of MOP achievement or shareholder value performance.

In this respect, the following Cumulated CAPEX and Cumulated Non-Recurring Costs thresholds have been established:

- Cumulated Non-Recurring Costs 2014–2016 (excluding LTIP costs and impairments): €148 m.
- Cumulated CAPEX 2014–2016: €1,330 m.

All figures should be understood in constant currencies at financial year 2013 exchange rates.

3.1.3 Total Shareholder Return (TSR)

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 increase 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, for 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 retailers are typically highly dependent on their domestic markets and country risk.
- 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 compensation practices, relative TSR indicator should be risk aligned to account for the different risk profile of companies included in the sample.

In this sense, it should be noted that the position taken by the National Association of Pension Funds Limited (NAPF) in the United Kingdom is that the use of peer groups is not appropriate in all cases:

> *"We will push back on the use of peer group benchmarking. At the most senior levels so-called peer comparisons are surely only a small part of what is needed to motivate and retain an executive. We would like to see boards take a more robust line when faced with peer comparisons. We are often told that each company is unique; as such we would like to see boards reflect more upon the drivers needed to enact their own individual strategies and less comparing themselves against their "peers""*. (Letter addressed to CEO's of FTSE 350 index companies, on March 4, 2013).

According to all the above, 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. The current share price now reflects 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.

Moreover, the level of senior executives' compensation (fixed salary and variable annual remuneration) is located in the lower range of Spanish listed companies of the same size. The LTIP better aligns the Company's global compensation with the compensation levels within other Spanish listed companies of its size.

3.2 Duration

The Plan is a 3 year cumulative plan.

It is the Board of Directors' intention to create overlapping plans and establish LTIPs as a cornerstone element of the general compensation policy of the Company.

Overlapping plans make it possible to:

- Create beneficial ongoing tension in the pursuit of the corporate strategic goals and the need for long-term shareholder value delivery.

- Create naturally embedded retention schemes, as opposed to non-overlapping plans which encourage an excessive focus on a given period or indicator without any ongoing long term retention tool at the end of the period.

The first year of implementation of the Plan would be 2014 (covering 2014, 2015 and 2016). The Board currently anticipates that the next plan would start in 2016 (covering 2016 2017 and 2018), and would be presented at the 2016 General Shareholders Meeting for approval.

Shares will be awarded under the Plan in May 2017 and January 2018. That said deferral in award enhances the retention element and is consistent with the intention of rewarding effective performance and avoiding payment for failure.

3.3 Elegibility

The new LTIP simplifies the current share incentive scheme structure by including all executives under the same Plan.

Therefore, CEO, CCO, members of the executive committee and other managers with the status of "SDs" (Senior Managers) and "Ds" (Managers) are eligible to participate in the Plan.

4. Impact for shareholders

The total maximum number of DIA shares to be awarded under the Plan is 6,981,906 shares.

Currently, the Company has no intention of issuing new shares but anticipates using existing or future treasury stock acquired for the award of shares under this Plan.
The resulting impact for shareholders is reasonable and in line with the percentages usually seen in these types of schemes for other public companies.