



**PROPOSALS FOR RESOLUTIONS MADE BY THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF SHAREHOLDERS OF DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. CALLED ON 24 APRIL 2014 AT THE FIRST CALL AND 25 APRIL 2014, AT THE SECOND CALL**

The Board of Directors of Distribuidora Internacional de Alimentación, S.A. (“DIA” or the “Company”) proposes the following resolutions for approval by the General Meeting:

**ITEM ONE ON THE AGENDA**

1. **Examination and approval of the annual statements, allocation of results, credit of other reserves and corporate management**
- 1.1 **Examination and approval of the Company’s individual annual statements (current balance sheet, profit and loss account, statement of changes in net wealth, cash flow statement and annual report) and consolidated statements of the Company together with its dependent companies (consolidated statements of current financial position, profit and loss account, global profit and loss statement, statement of changes in net wealth, cash flow statement and annual report), as well as the Company’s individual management report and consolidated management report of the Company and its dependent companies, for the financial year ended 31 December 2013.**
- 1.2 **Proposed allocation of results for the financial year ended 31 December 2013.**
- 1.3 **Examination and approval of credit of other reserves.**
- 1.4 **Examination and approval of the management and activity of the Board of Directors during the financial year ended 31 December 2013.**

**PROPOSALS FOR RESOLUTIONS ON ITEM ONE**

- 1.1 **Examination and approval of the Company’s individual annual statements (current balance sheet, profit and loss account, statement of changes in net wealth, cash flow statement and annual report) and consolidated statements of the Company together with its dependent companies (consolidated statements of current financial position, profit and loss account, global profit and loss statement, statement of changes in net wealth, cash flow statement and annual report), as well as the Company’s individual management report and consolidated management report of the Company and its dependent companies, for the financial year ended 31 December 2013.**

The approval is proposed of the individual annual accounts of Distribuidora Internacional de Alimentación, S.A. (balance sheet, profit and loss account, statement of changes in net wealth, cash flow statement and annual report) and of the consolidated annual accounts of Distribuidora Internacional de Alimentación, S.A. and its dependent companies (statement of the financial position, results, statement of overall results, statement of changes in net wealth, cash flow statement and annual report, all consolidated), verified by the Company’s auditors,



and the individual management report of the Company and the consolidated management report of the Company and its dependent companies, all corresponding to the financial year ending 31 December 2013 and which were drawn up by the Board of Directors at its meeting held on 19 February 2014.

## **1.2 Proposed allocation of results for the financial year ended 31 December 2013.**

In accordance with the proposal made by the Board of Directors at its meeting held on 19 February 2014, it is proposed to approve the distribution of the Company's results as follows:

To distribute all of the positive individual results for the 2013 financial year, which amount to ONE HUNDRED AND FIVE MILLION TWO HUNDRED AND FIFTY-FIVE THOUSAND ONE HUNDRED AND NINETY EIGHT EUROS AND EIGHTY EIGHT CENTS (€105,255,198.88) as follows:

- As a dividend to be distributed among the shareholders: an amount corresponding to a gross fixed cash dividend of SIXTEEN CENTS (€0.16) for each Company share with a right to receive same on the date in which the corresponding payment is made, from which amount shall be deducted any retention at source that might be applicable. For information purposes, the above amount per share represented, at the date of the formulation of these annual accounts and in the light of the level of capital stock of the Company existing at that time, a total of ONE HUNDRED AND THREE MILLION TWO HUNDRED AND TWENTY SIX THOUSAND NINE HUNDRED AND SEVENTY TWO EUROS AND THIRTY TWO CENTS (€103,226,972.32).
- Goodwill reserve: ONE MILLION SEVEN HUNDRED AND NINETY SIX THOUSAND FOUR HUNDRED AND NINETY FOUR EUROS AND THIRTY THREE CENTS (€1,796,494.33).
- Other reserves: the remaining amount. For information purposes, at the date of the formulation of the annual accounts, the remaining amount came to a total of TWO HUNDRED THIRTY ONE THOUSAND SEVEN HUNDRED AND THIRTY THREE EUROS AND TWENTY THREE CENTS (€231,732.23).

Consequently, it is proposed that each ordinary share with right to receive a dividend shall receive the gross amount of SIXTEEN CENTS (€0.16) per share with right to receive a dividend.

Said amount shall be paid on 16 July 2014, through the entities participating in Company de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR).



### **1.3 Examination and approval of credit of other reserves.**

After the reduction of capital undertaken by the Company in 2013, the legal reserve stipulated in Provision 274 of the Spanish Corporate Act has reached a quantity that exceeds the minimum established by law, up to €565,308.84.

Therefore, it is proposed to approve the allocation of “Other reserves” in a quantity exceeding the aforesaid legal reserve, which would be reduced in the same amount.

### **1.4 Examination and approval of the management and activity of the Board of Directors during the financial year ended 31 December 2013.**

It is proposed that the company management and the actions taken by the Board of Directors of the Company during the financial year ending 31 December 2013 be approved.



## **ITEM TWO ON THE AGENDA**

### **Re-election of members of the Board of Directors**

#### **PROPOSALS FOR RESOLUTIONS ON ITEM TWO**

##### **2.1 To re-elect Mr. Richard Golding, for the three-year term foreseen in the By-laws**

The re-election, for the three-year term foreseen in the By-laws, of the director Mr. Richard Golding, who is classified as an “independent director”, is submitted by the Board of Directors to the General Meeting at the proposal of the Nomination and Remuneration Committee.

##### **2.2 To re-elect Mr. Mariano Martín Mampaso, for the three-year term foreseen in the By-laws**

The re-election, for the three-year term foreseen in the By-laws, of the director Mr. Mariano Martín Mampaso, who is classified as an “independent director”, is submitted by the Board of Directors to the General Meeting at the proposal of the Nomination and Remuneration Committee.

##### **2.3 To re-elect Mr. Nadra Moussalem, for the three-year term foreseen in the By-laws**

The re-election, for the three-year term foreseen in the By-laws, of the director Mr. Nadra Moussalem, who is classified as a “proprietary director”, is submitted by the Board of Directors to the General Meeting with the favourable prior report of the Nomination and Remuneration Committee.

##### **2.4 To re-elect Mr. Antonio Urcelay Alonso, for the three-year term foreseen in the By-laws**

The re-election, for the three-year term foreseen in the By-laws, of the director Mr. Antonio Urcelay Alonso, who is classified as an “independent director”, is submitted by the Board of Directors to the General Meeting at the proposal of the Nomination and Remuneration Committee.



### **ITEM THREE ON THE AGENDA**

#### **Approval of delivery in the form of Company's shares of 50% of the amount of remuneration corresponding to the board of directors for 2014**

#### **PROPOSAL FOR A RESOLUTION ON ITEM THREE**

It is proposed that, in accordance with Article 39.4 of the Articles of Association, 50% of the gross annual remuneration of the members of the Board of Directors for the financial year 2014 be paid in shares of the Company, with the remaining 50% therefore being paid in cash.

Both the cash and the shares corresponding to each one of the Directors shall be paid as from 15 December 2014 (including, in this case, the retribution for the month of December).

As regards the maximum number of shares to be paid as remuneration for the position of Director in the 2014 financial year, this figure shall be calculated as the result of dividing 50% of the remuneration of each Director by a market reference that, for the financial year 2014, corresponds to the volume weighted average price (VWAP) of the closing prices of the DIA share during the 15 working stock market days up to 19 February 2014 (inclusive).

Non-executive directors must remain titleholders of the shares until the time at which they cease to be directors.

For information purposes, it is recalled that the maximum amount of the remuneration for the Board of Directors, approved by the General Shareholders' Meeting, amounts to 1,500,000 Euros, excluding the remuneration of executive directors for their managing responsibilities.



## **ITEM FOUR ON THE AGENDA**

### **Approval of the Incentive Plan consisting of the award of shares to Company Managers (including the Executive Director)**

#### **PROPOSAL FOR A RESOLUTION ON ITEM FOUR**

Pursuant to the provisions of Article 219 of the revised text of the Spanish Corporate Act (approved by Legislative Royal Decree 1/2010, of 2nd July), and to Provision 39.4 of the Company's By-laws, a proposal is made to approve the Long-Term Incentive Plan 2014-2016 (the "**Incentive Plan**" or the "**Plan**"), paid out as an award of DIA shares. This has been approved by DIA's Board of Directors, following a proposal of the Nomination and Remuneration Committee, in the following terms and conditions:

**Beneficiaries:** The Plan is intended to executive directors, senior managers (CEO, CCO) and other key employees of DIA and its current and future subsidiaries, to be determined by the Board of Directors, meeting the requirements established in the Plan's general conditions and who voluntarily opt for inclusion in the Plan. It is estimated that this group currently comprises approximately 250 persons. The Board of Directors, following a proposal of the Nomination and Remuneration Committee, may decide to include other managers as beneficiaries of the Plan in the future.

**Objective:** The purpose of the Plan is to award and pay a variable remuneration, delivered in the form of DIA shares, subject to the fulfilment of a Company and its Group's business targets, linked to the evolution of Cumulated Adjusted EBITDA for the period 2014-2016 and to the evolution of the Company's *Total Shareholder Return* (TSR), between March 2014 and April 2017. Furthermore, the payment is dependent on the beneficiaries maintaining their employment or mercantile relationship with DIA Group within this time period.

In order to measure the evolution of the TSR, the reference shall be the volume weighted average price of the DIA share in the 15 stock market trading sessions immediately preceding the date of the convening, by the Board of Directors, of the Annual General Meeting which is to approve, if appropriate, this Plan (this is, before 19 March 2014), as well as the volume weighted average price of the DIA share in the 15 stock market trading sessions following the Company's public disclosure of the annual results for the 2016 financial year.

In the event the relationship between the beneficiaries of the Plan and DIA, or any of its subsidiaries, is terminated, the beneficiaries will forfeit the right to receive shares under this Plan, except in certain cases stipulated, where appropriate, by the Board of Directors.

#### **Maximum number of shares to be distributed under the Plan**

The total maximum number of DIA shares to be awarded among all of the beneficiaries of the Incentive Plan—including executive directors—, shall come to the maximum of 6,981,906 shares of the same class and series as those currently issued (a figure which will be subject, if necessary, to the usual adjustments following any alteration in the Company's capital structure - such as, for example, modifications in the nominal value of the share - and from which the corresponding taxes or retentions at source must be deducted), of which a maximum of 378,762 shares will be distributed to executive directors.

The reference value of the DIA share, for the purposes of the Plan, shall be the volume weighted average price of the share in the 15 stock market trading sessions immediately



preceding 19 March 2014, this is, the date of the approval of the Plan by the Board of Directors.

**Term of the Plan:** From the date of its approval by the Annual General Meeting through 30 April 2017, notwithstanding the time necessary for the award of shares, all of the foregoing pursuant to the terms and conditions stipulated by the Board of Directors.

**Other conditions:**

- The Board of Directors, at the proposal of the Nomination and Remuneration Committee, will determine the indicators and their degree of performance for the award of the shares under the Plan.
- If necessary, for legal, regulatory or similar reasons, the delivery mechanisms may be adjusted in special cases, without modifying the maximum amount established in the Plan and the essential conditions for the delivery.
- The shares to be delivered will be the Company's property, and may be newly issued shares or those of third parties that the Company may have entered into agreements with to ensure the fulfilment of its undertakings.

**Delegation of powers:** It is proposed to agree to delegate the Board of Directors, with specific powers of substitution, to implement, develop, execute, perform and pay out the Plan, agreeing any necessary resolutions and signing any private or public documents necessary or appropriate to ensure the Plan's effectiveness. The Board of Directors will also have the power to remedy any defects, omissions or errors detected and to clarify, amend or complement this resolution. Furthermore, in particular, included but not limited, the Board will have the power:

- a. To determine the beneficiaries, at the time of approval or subsequently, and to specify initial allotments, and establish, if applicable, additional conditions to be met by all or some beneficiaries, as well as to revoke, when applicable, the designations and assignments previously established.
- b. To establish the terms and conditions of the Plan not established in this agreement, in particular, without being limited to, the indicators and coefficients for the delivery of the shares, including, among others, early settlement provisions, and declaring the fulfilment of the conditions for early settlement, if applicable.
- c. To adapt the Plan's content and the indicators and coefficients to the circumstances or corporate transactions arising during the Plan's implementation, so that the Plan will maintain the same terms and conditions.
- d. To execute and implement the Plan in the most appropriate way, carrying out all the necessary actions for its best execution.
- e. To draft, sign and serve all notices and all public or private or public documents necessary or appropriate for the Plan's execution before any public institution or private entity.



- f. To undertake any action, representation or transaction, before any public institution, private entity or registry, for the purpose of obtaining any necessary permission or verification, for the Plan's execution.
- g. To appoint, if applicable, any financial entity(ies) that shall provide services to the Company, concerning the execution and management of the Plan, and to negotiate, agree and enter into the relevant agreements with the financial entity(ies) selected, as well as any other appropriate contracts or agreements that shall be convenient with any other entity, and, where applicable, with the beneficiaries, for the Plan's execution, in the terms and conditions deemed adequate.
- h. To analyse and assess the level of achievement of the indicators, concerning the Plan's execution, and to proceed to its delivery, with the assistance of an independent expert, if applicable.
- i. And, in general, to undertake any actions and sign any documents necessary or appropriate for the validity, effectiveness, implementation, development, execution, liquidation and delivery of the Plan.

For the avoidance of any doubt, the approved Plan shall be understood agreed and granted, based on the executive and management responsibilities of the beneficiaries (including DIA's Executive Directors or those with powers delegated by the Board of DIA, pursuant to article 39.3 of its By-laws), and such responsibilities are independent and unconnected to the annual retribution awarded to the members of the Board of Directors.





## **ITEM FIVE ON THE AGENDA**

### **Re-election of auditors for the financial years 2014, 2015 and 2016**

#### **PROPOSAL FOR A RESOLUTION ON ITEM FIVE**

To comply with the Company's legal obligation to have the annual accounts verified by auditors, at the proposal of the Nomination and Remuneration Committee, it is proposed to re-elect KPMG Auditores, S.L. as auditors of the Company and its Group, for a period of three years, in accordance to Provision 19 of the Spanish Accounting Law (Royal Legislative-Decree 1/2011, 1 July). KPMG Auditores, S.L. shall verify the Company's annual accounts for the financial years ending 31 December 2014, 2015 and 2016.

KPMG Auditores, S.L. is registered in Madrid, Paseo de la Castellana, 95, 28046; with identification number B-78510153, and registered with the Commercial Registry of Madrid (tome 11,981, folio 90, section 8, sheet M-188.007, entry 9) and in the Official Auditing Registry, under number S0702.



## **ITEM SIX ON THE AGENDA**

**Delegation of powers to amend, complement, enforce and develop the resolutions adopted by the General Meeting for their formalization and registration and for the required filing of accounts**

### **PROPOSAL FOR A RESOLUTION ON ITEM SIX**

It is proposed to agree, without prejudice to the delegations of power already agreed by the Meeting, the delegation, under the widest terms, to the Board of Directors, to the non-Board member Secretary and the non-Board member Vice-Secretary, with powers of substitution by any of the members, jointly and severally, of all such powers as may be necessary to interpret, execute and put into full effect the resolutions adopted by this General Meeting, including the execution of all such public and private documents that are necessary, the publication of any announcements which may be legally required, the registration in any registers which may be opportune and the performance of such acts and procedures that may be necessary to such end, and, among others, the power to remedy, clarify, interpret, complete, define or specify, as appropriate, the resolutions adopted and, in particular, to remedy the defects, omissions or errors which may be detected, including those noted in the verbal or written observations of the Companies Registry, which may hinder the effectiveness of the resolutions, and also, in particular, to file the company accounts as required with the Companies Registry.



## CONSULTATIVE POINT

### **ITEM SEVEN ON THE AGENDA**

#### **Annual report on remuneration paid to the Directors of the Company**

#### **PROPOSAL REGARDING ITEM SEVEN**

The Board of Directors, in fulfilment of Articles 61-ter of the Stock Market Act and 32 of the Regulations of the Board of Directors and according to the Circular 4/2013, 12 June, of the National Securities Market Commission, has drawn up an annual report on the remuneration of Board Members which has been provided to the shareholders since the call of this General Meeting and which, having received the favourable prior report of the Nomination and Remuneration Committee, is submitted to the General Meeting of Shareholders for a consultative vote, as a separate item of the Agenda.