



**POLICY ON DIRECTORS' REMUNERATION OF DISTRIBUIDORA
INTERNACIONAL DE ALIMENTACIÓN, S.A.**

Approved by the Shareholders' Meeting held on June 7, 2022

1. INTRODUCTION AND TERM

Article 529 novodecies of the Capital Companies Law establishes that it falls to the shareholders' meeting to approve, as a separate item on the agenda, the company's policy on directors' remuneration, for application for a maximum period of three years.

This policy on directors' remuneration of Distribuidora Internacional de Alimentación, S.A. ("**DIA**" or the "**Company**") is approved in accordance with the above legislative provision and with article 16 of the Corporate Bylaws of the Company and is in keeping with the remuneration system established in article 38 of such Bylaws.

In accordance with the possibility established in article 529 novodecies.1 of the Capital Companies Law, this new policy on directors' remuneration of DIA (the "**Policy**"), which replaces the policy approved by the Shareholders' Meeting held on August 30, 2019, will apply from the same date of its approval by the 2022 Annual Shareholders' Meeting (June 7, 2022) and for the following three years, that is, until December 31, 2025.

2. REMUNERATION OF DIRECTORS FOR THEIR SERVICES AS SUCH

2.1 Company policy

Pursuant to article 38 of the Corporate Bylaws, the office of director is remunerated. However, it is established that only non-executive non-nominee directors will receive remuneration for their services as such.

The remuneration of non-executive non-nominee directors for their services as such will consist of:

- (i) A fixed allowance in cash, established each year by the Board of Directors, which may adapt the amount to be received by each director according to the functions and responsibilities entrusted to each one, membership on Board committees and any other objective circumstances that it considers pertinent.

The maximum annual amount of the fixed allowance for all directors for their services as such is established by the Shareholders' Meeting as 1,350,000 euros.

- (ii) Deferred remuneration in shares under the “**Restricted Share Plan**” for non-executive non-nominee directors, with the following principal conditions which are approved by the Shareholders’ Meeting:
- a) Description: The Restricted Share Plan is a share-based remuneration plan that consists of granting to non-executive non-nominee directors of the Company a right to receive free of charge a certain number of common DIA shares at the end of the vesting period established for the purpose and provided that (without prejudice to any exceptions that apply) the director has continued to hold his or her office for the entire vesting period.
 - b) Grant of rights under the Restricted Share Plan: Each non-executive non-nominee director may be granted a right to receive shares under the Restricted Share Plan on the occasion of his or her appointment, of each reappointment as director of the Company or at the end of the vesting period of any prior right.
 - c) Vesting period: The vesting period will be for a term that will normally be similar to the director’s term of office in accordance with the Corporate Bylaws of the Company (currently two years), which may be counted from Annual Shareholders’ Meeting to Annual Shareholders’ Meeting (taking May 31 as the date of the Annual Shareholders’ Meeting for these purposes), although it will be possible to establish vesting periods with a longer term (by no more than 12 months) or shorter where necessary or advisable for the better management of the Restricted Share Plan (e.g., in cases of appointments or reappointments on dates other than that of the Annual Shareholders’ Meeting).
 - d) Individual grant: Each right will refer to a number of shares equal to the result of multiplying the amount of €50,000 by the number of years of the term of the vesting period and dividing it by the reference price of the share, rounded to the closest unit. The reference price will, as a general rule, be the average closing price of the DIA share during the 15 trading sessions immediately preceding the reference date of the grant (which may be the effective date of the appointment or reappointment of the director or the end of the vesting period of any prior right). The Board of Directors is authorized to adjust the number of shares allocated to each right in accordance with the application of the usual anti-dilution clauses.
 - e) Vesting: The right to receive the shares will accrue proportionally during the vesting period, but the right will not vest and the shares will not be delivered until the end of such period. If the director vacates office before the end of the vesting period for a reason not attributable to a breach of his or her duties, the Board of Directors is authorized to vest the right to receive all or some of the shares allocated and bring forward the delivery of such shares to the moment of vacation of office, all the foregoing depending on the circumstances present.
 - f) Other obligations: Directors will be under the obligation to hold any delivered shares until they vacate office (although this rule will not apply to any shares

that the director needs to dispose of in order to pay the costs relating to their acquisition).

The Board of Directors is authorized, on the broadest terms, with express powers to subdelegate, to implement, develop, interpret, formalize, execute, operate and settle the Restricted Share Plan, adopting as many resolutions and signing as many public or private documents as may be necessary or advisable to give full effect to the Plan, with the authority as well to correct, rectify, amend or supplement the Plan.

To enable the implementation and operation of the Restricted Share Plan, the Shareholders' Meeting, in accordance with article 219 of the Capital Companies Law, approved the allocation of 140,000,000 common shares of the Company with a par value of €0.01 each for the grant of rights under the Restricted Share Plan for the term of this Policy (i.e., until December 31, 2025). The Company may allocate to coverage of the Restricted Share Plan the shares that make up or that may make up its treasury stock from time to time or use other appropriate coverage systems.

This Policy does not contemplate the payment of fees for attendance at meetings of the Board of Directors or of the Board committees; however, directors will be reimbursed for any duly justified expenses they may incur in performing their functions.

2.2 Initial application of the Policy

2.2.1 Fixed allowance in cash

The annual fixed allowance of non-executive non-nominee directors is initially established at the following amounts:

- (i) Annual basic remuneration:
 - a) Chairman of the Board of Directors: 250,000 euros gross.
 - b) Deputy Chairman of the Board of Directors: 200,000 euros gross.
 - c) Member of the Board of Directors: 100,000 euros gross.
- (ii) Additional annual remuneration for membership on committees:
 - a) Committee Chairman: 50,000 euros gross.
 - b) Committee Member: 20,000 euros gross.

The Board of Directors may review the above amounts within the maximum limit established by the Shareholders' Meeting for the fixed allowance for all the directors for their services as such.

2.2.2 Restricted Share Plan for Directors

The existing rights to deferred remuneration in shares of the current or past non-executive non-nominee directors of the Company are as follows:

Director	Reference grant date	Vesting date	Total shares ¹ allocated	Previous shares	Additional shares
Luisa Deplazes de Andrade Delgado	11/01/2021	11/01/2024	9,615,385	-	9,615,385
Jaime García-Legaz Ponce	08/30/2019	08/30/2022	2,292,420	1,034,864	1,257,556
Marcelo Maia Tavares de Araujo	01/01/2021	01/01/2024	2,823,098	1,274,427	1,548,671
Vicente Trius Oliva	09/29/2021	09/29/2024	8,720,930	-	8,720,930
Basola Vallés Cerezuela	01/14/2020	01/14/2023	3,073,806	1,387,604	1,686,202
José Wahnnon Levy	08/30/2019	08/30/2022	2,292,420	1,034,864	1,257,556
Total			28,818,059	4,731,759	24,086,300

The “Total shares” column reflects the total number of shares allocated to each of the non-executive non-nominee directors on the reference date of the corresponding grant of the right and as a result of the application by the Board of Directors of the anti-dilution clause (as appropriate in each case) as a result of (i) the capital reduction and increase approved by the Shareholders’ Meeting held on October 22, 2019; and (ii) the capital increase approved by the Shareholders’ Meeting held on May 31, 2021.

Of the “Total shares”, those reflected in the “Previous shares” column have been allocated on a firm basis out of the balance of shares authorized by the Shareholders’ Meeting that approved the prior directors’ remuneration policy of August 30, 2019, and those reflected in the “Additional shares” column have been allocated subject, due to the lack of a sufficient overall balance, to the approval of this Policy and the corresponding authorization for the allocation of such shares by the Shareholders’ Meeting.

Accordingly, with the approval of this Policy by the Shareholders’ Meeting of the Company, the Shareholders’ Meeting approves the allocation of the above-mentioned additional pending 24,086,300 common shares of the Company with a par value of €0.01 each in relation to the non-executive non-nominee directors’ existing rights to deferred remuneration in shares, on the terms of the preceding table.

Lastly, with respect to the following instances of directors vacating office before the end of the vesting period, the Shareholders’ Meeting approves the following actions by the Board of Directors:

¹ Common shares of the Company with a par value of €0.01.

- (i) With respect to the vacation of office by Mr. Jaime García-Legaz Ponce as director at the 2022 Annual Shareholders' Meeting as a result of his desire that his office not be subject to reappointment after having fully completed his three-year term, the Board of Directors resolved to vest his right to receive all the shares allocated (i.e., 2,292,420 common shares of the Company with a par value of €0.01 each) and to bring forward the delivery thereof to the date of such Shareholders' Meeting.
- (ii) With respect to the resignation of Ms. Basola Vallés Cerezuela with effect on April 18, 2022 as a result of professional incompatibilities, the Board of Directors resolved to vest her right to receive the proportion of the shares allocated up to the date of her resignation (i.e., 2,313,768 common shares of the Company with a par value of €0.01 each) and to bring forward the delivery of such shares to the date of the 2022 Annual Shareholders' Meeting.

3. REMUNERATION OF EXECUTIVE DIRECTORS

3.1 Company policy

Remuneration to be received by the executive directors for performing executive functions in the Company (which are therefore different from the functions as member of the Board, which will not be remunerated) is structured as follows:

- (i) Fixed remuneration: Determined taking into account the content of the executive functions assigned and the merits of the executive director.
- (ii) Variable remuneration: It is aimed at reinforcing their commitment to the Company and encouraging the best performance of their functions, and may include:
 - a) Short-term variable remuneration (annual bonus): payable in cash and linked to the achievement of economic, financial and non-financial targets and, as the case may be, the fulfillment of personal targets.
 - b) Medium- and long-term variable remuneration: medium- and long-term incentive systems (multi-year bonuses, share or stock option plans, warrants on shares or referenced to the share price, or analogous systems) linked to Company performance in relation to set economic and financial and/or non-financial parameters aligned with the Company's strategic objectives and long-term value creation, as well as to continued employment in the Company or the Group for a certain period of time and to the executive director's performance.

All of the variable remuneration received by the executive directors will be subject to a clawback clause under which the Company may seek reimbursement of the variable components of the remuneration in certain cases such as, for example, where it comes to light that the variable remuneration was settled and paid in whole or in part on the basis of information that is subsequently and clearly shown to be seriously false or inaccurate.

Part of the variable remuneration may be considered minimum or guaranteed remuneration.

The maximum annual aggregated amount of short-term fixed and variable remuneration of an executive director will be 3,000,000 euros gross.

The maximum value of the medium- and long-term variable remuneration of an executive director will not exceed 200% of his or her annual fixed remuneration multiplied by the number of years of reference of the plan (normally three years).

- (iii) Remuneration in kind: With a view to offering a competitive and attractive remuneration package, executive directors may receive remuneration in kind, such as (without limitation) accommodation, life and accident insurance, health insurance, an annual medical check-up or company car, in accordance with the Company's policies. In all cases, remuneration in kind shall not exceed 5% of the annual fixed remuneration.
- (iv) Remuneration from the post-contractual noncompete undertaking: Where an executive director's contract contains a post-contractual non-compete undertaking, his or her remuneration may include periodic fixed remuneration as consideration for such undertaking, which may not exceed the fixed remuneration corresponding to the noncompete period.
- (v) Severance for removal: payments for termination of the executive contract will not exceed an amount equal to two years of the executive director's total annual remuneration.

The Board of Directors' may periodically review the executive directors' pay package, within the framework of this Policy and subject to the above limits, taking into account, in particular, the executive's worth and merits, market conditions at peer companies and the fact that it can be borne the Company.

3.2 Application to the current Chief Executive Officer

In addition, the Company's only executive director is its Executive Chairman (Chairman of the Board of Directors and Chief Executive Officer of the Company), Mr. Stephan DuCharme, whose executive contract with the Company for the discharge of such office was approved by the Board of Directors at its meeting on May 20, 2020, with the affirmative vote of two-thirds of its members and the abstention of Mr. DuCharme, in accordance with article 249 and 529 septies.1 of the Capital Companies Law.

Pursuant to that contract, Mr. DuCharme receives no remuneration or economic profit from the Company for performing his functions as Executive Chairman, nor is he entitled to any severance for termination from that post, regardless of the grounds for termination.

Notwithstanding the foregoing, it is placed on record that Mr. Stephan DuCharme performs executive functions within the group headed by Letterone Investment Holdings, S.A. (the "**Letterone Group**"), which holds 77.7% of the Company's share capital and, accordingly, he receives remuneration from the Letterone Group. This

remuneration relates to items other than those relating to his status as Executive Chairman of DIA.

3.3 Main terms and conditions of executive directors' contracts

3.3.1 General conditions

The main terms and conditions of the contract for any executive directors of the Company who may be appointed by the Board of Directors will reflect the following generally applicable criteria:

- (i) Term: indefinite.
- (ii) Exclusivity: they must provide their services on a full and exclusive basis to the Company and the DIA Group, unless they are members of certain boards of directors or obtain the Company's prior express consent.
- (iii) Advance notice period: The executive contract may be terminated freely at any time by the Company, with no need for advance notice and with the severance consequences indicated below. For their part, executive directors may freely terminate their executive contract and resign from their post at any time, with at least three months' advance notice (although a longer period may be agreed upon) and without the right to any severance.
- (iv) Severance arrangement: The executive contract may establish that executive directors are entitled to severance of up to two years of their total annual remuneration in the event of termination sought by the Company not due to a serious and repeated breach of their functions or sought by the executive director based on a serious and repeated breach by the Company of its obligations.
- (v) Post-contractual noncompete undertaking: The executive contract may include a post-contractual noncompete undertaking (regardless of the ground for termination) that is remunerated for up to a maximum of 24 months.
- (vi) Clawback clause: The Company may seek from the executive director, in certain cases, reimbursement of the amounts of variable (short-, medium- and long-term) remuneration received.

In any case, the Board of Directors may periodically review the conditions of executive directors' contracts and include any changes necessary, within the framework of this Policy and DIA's internal regulations.

3.3.2 Main terms and conditions of the Executive Chairman's current contract

The Executive Chairman's current contract, under which he does not receive any remuneration or economic profit from the Company for the performance of his functions, provides as follows:

- (i) Term: indefinite.

- (ii) Exclusivity: the Executive Chairman's professional relationship is not exclusive, although he must in all cases fulfill his duty of loyalty.
- (iii) Advance notice period: the Executive Chairman must give notice of his intention to terminate the contract one month in advance.
- (iv) Severance arrangement: the Executive Chairman will not be entitled to any severance for the termination of his executive contract with DIA, regardless of the grounds for termination.
- (v) Post-contractual non-compete undertaking: there is no post-contractual non-compete undertaking.

3.3.3 Terms and conditions applicable when new executive directors are hired

The remuneration system for executive directors described in this Policy will also apply to any new executive directors who join the Board of Directors during the term of the Policy, with the remuneration being adapted to the functions assigned, as well as to the responsibilities assumed and the professional experience of the director in question. In this regard, the Board of Directors will establish, by means of a resolution, remuneration adapted to such characteristics in accordance with the parameters established in section 3.1 above.

The main terms and conditions of the new executive directors' contracts or any modifications to the terms and conditions established in the contracts with executive directors will, in all cases, be disclosed in the annual report on directors' remuneration for the fiscal year in which they occur.

4. CONTRIBUTION TO THE COMPANY'S BUSINESS STRATEGY

The objective of this Policy is to contribute to the business strategy and to the interests and long-term sustainability of the Company and is based, among others, on the principles of commitment and attraction and retention of talent, transparency, external and internal equity and fostering the creation of value for the Company and its shareholders in the long term.

Specifically, the directors' remuneration system is designed in a manner that contributes to the fulfillment of the company's strategies and to the maximization, on a sustained basis, of the Company's value and ensures that its amount does not condition their independence. For these purposes:

- (i) The directors' remuneration for their services as such is limited to the non-executive non-nominee directors and consists of a fixed allowance in cash and of deferred remuneration in shares under the Restricted Share Plan for Directors.
- (ii) The variable remuneration is only available to the executive directors and is linked to the achievement of financial-economic and/or non-financial parameters aligned with the strategic objectives of the Company and the long-term creation

of value, such that the elements for measuring that performance are not based solely on one-off, occasional or extraordinary events.

- (iii) Any variable remuneration paid will be subject to a clawback clause.

5. THE POLICY'S RELATIONSHIP WITH THE CONDITIONS OF THE COMPANY'S EMPLOYEES

To define the remuneration terms and conditions of the executive directors set out in this Policy, the remuneration policy for the Company's employees has been taken into account.

For these purposes, although the Executive Chairman does not currently receive any remuneration, the items included in this Policy and the maximum amounts recognized bring the executive directors' remuneration system into line with the system applicable to the Company's employees, given that both are consistent with the business strategy, the objectives, the values and the long-term interests of the DIA Group and seek to generate value for the Company and its shareholders on a sustainable basis over time.

They also share, among others, the principles of non-discrimination, internal and external equity, fostering of the creation of value, and the recognition of a potential variable component the payment of which will depend on the achievement of individual and corporate targets linked to the DIA Group's strategy.

6. PROCESS FOR DETERMINING, REVIEWING AND APPLYING THE POLICY

The main bodies of the Company that take part in the process of determining, reviewing and applying this Policy are the following:

- (i) The Nomination and Remuneration Committee, as provided for in article 24 of the Board Regulations, performs, among others, the following functions:
 - a) Propose to the Board of Directors the remuneration policy for directors and general managers or those who perform their senior management functions under the direct supervision of the Board of Directors or the Executive Chairman, as well as the individual remuneration and other contractual conditions of executive directors, ensuring compliance therewith.
 - b) Verify compliance with the remuneration policy established by the Company.
 - c) Periodically review the remuneration policy applied to directors and senior executives, including share-based remuneration schemes and their application, and check that their individual remuneration is proportionate to that paid to other directors and senior executives of the Company.

- d) Verify the information on directors' and senior executives' remuneration contained in the various corporate documents, including the annual report on directors' remuneration.
- (ii) The Board of Directors is the body authorized to adopt decisions relating to the remuneration of directors for their services as such and to establish the conditions of the contract for executive directors, including their remuneration for the performance of executive duties, within the framework of the bylaws and the remuneration policy approved by the Shareholders' Meeting and in force from time to time. It is also in charge of preparing the annual report on directors' remuneration.
- (iii) In accordance with article 16 of the Bylaws and article 9 of the Shareholders' Meeting Regulations, the Shareholders' Meeting is responsible for approving:
 - a) this Policy, on the terms set out in the law;
 - b) the maximum amount of the remuneration to be paid by the Company to its directors;
 - c) establishing the director remuneration systems consisting of the delivery of shares or rights over them or which are indexed to the share value; and
 - d) the Company's annual report on directors' remuneration, on a consultative basis, as a separate item on the agenda.

In accordance with article 28 of the Company's Board Regulations, directors must adopt the necessary measures to avoid becoming involved in conflicts of interest.

7. TEMPORARY EXCEPTIONS TO THE APPLICATION OF THE POLICY

The Board of Directors, following a report by the Nomination and Remuneration Committee, may apply temporary exceptions to this Policy which will, in all cases, be limited to exceptional situations in which not applying the Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability, and which may affect any of the components of the directors' remuneration system.

These situations will include the appointment of directors with executive functions, for whom specific conditions may be established with respect to the components of their remuneration provided for in section 3 of this Policy.

The procedure to be followed should any circumstance arise that justifies applying such temporary exceptions will be as follows:

- (i) The Nomination and Remuneration Committee will issue a report assessing the circumstances that would trigger the application of the exceptions and the affected remuneration that would be modified.

- (ii) In preparing the report, the Nomination and Remuneration Committee may rely on the opinion of an external third party.
- (iii) In view of the conclusions of the report, the Nomination and Remuneration Committee would, where appropriate, draw up the proposal for exceptional application which would be submitted to the Board of Directors for approval, where appropriate.

In any event, the Company will duly inform, in the annual report on remuneration, about the exceptional situation that has led the Board of Directors to approve the application of the temporary exception, as well as the component(s) subject to such exception.

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