

MODEL ANNEX I
ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS

THE ISSUER'S IDENTIFYING DATA

END DATE OF FISCAL YEAR OF REFERENCE

12/31/2019

TAX
IDENTIFICATION
NO. A28164754

Corporate Name: DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN,
S.A.

Registered Office: C/ JACINTO BENAVENTE, 2A (EDIFICIO TRIPARK), (LAS
ROZAS) MADRID

<p style="text-align: center;">ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS</p>

A. COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR

- A.1 Explain the directors' remuneration policy in force for the current fiscal year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the Shareholders' Meeting, provided the inclusion thereof is clear, specific and exact.

A description should be provided of the specific determinations, for the current fiscal year, regarding the remuneration of the directors both in their capacity as such and for the performance of executive functions, made by the Board of Directors in accordance with both the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the Shareholders' Meeting.

1. Explain the directors' remuneration policy in force in the current fiscal year

The current directors' remuneration policy of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. ("DIA" or the "Company") is the one approved by the Special General Shareholders' Meeting held on August 30, 2019, with a favorable vote of 92.1739%, and applies for fiscal years 2020, 2021 and 2022 ("Remuneration Policy").

The Remuneration Policy was submitted to the Special Shareholders' Meeting of August 30, 2019 for approval, based on a justifying report by the Nominations and Remuneration Committee ("NRC"), given that the Ordinary Shareholders' Meeting of March 20, 2019 rejected the annual report on directors' remuneration of 2018 ("ARR of 2018") in the advisory vote held.

The Remuneration Policy complies with the remuneration plan established in the bylaws and with the provisions of articles 529 septedecies, 529 octodecies and 529 novodecies of the Corporate Enterprises Law ("LSC").

The general bases and principles of the Remuneration Policy aim to ensure that the remuneration plan established for DIA's directors is reasonably proportionate to the importance of the Company, its financial situation and the market standards of comparable enterprises. The remuneration plan seeks, particularly in the case of executive directors, to foment the Company's profitability and long-term sustainability, and includes the necessary precautions to prevent excessive risk-taking and the rewarding of poor results.

In this regard, the Remuneration Policy is based on the following principles and criteria:

- Commitment, attraction and retaining of talent: The aim of the Remuneration Policy is to reward quality, dedication, responsibility, knowledge of the business and commitment to the Company by the people who are in key positions and lead the organization.
- External and internal equity: The external competitive environment and the internal equity will be taken into account to set remuneration.
- Transparency.
- Fomenting value creation for the Company and its shareholders on the long term.

The criteria used to determine the remuneration policy for the members of DIA's Board of Directors are included in articles 39 and 39 bis of the Company's Bylaws and article 33 of the Board of Directors' Regulations, and they differ according to whether the directors are executive or non-executive.

2. Specific determinations regarding the remuneration of the directors both in their capacity as such and for the performance of executive functions

In relation to the specific determinations, for the fiscal year in course, of the remuneration of the directors both in their capacity as such and for the performance of executive functions, the NRC and the Board of Directors are going to apply in 2020 Remuneration Policy strictly on the terms approved by the General Shareholders' Meeting of DIA.

In this regard, pursuant to article 39.1 of the corporate bylaws, the office of director, in the capacity of such, is remunerated.

However, the Remuneration Policy establishes that only non-nominee non-executive directors will receive remuneration in their capacity as directors of the Company, which will consist of:

- (i) A fixed payment 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.

According to the Remuneration Policy, the maximum annual amount of the fixed payment approved by the General Shareholders' Meeting has been set, for the directors as a whole, in their capacity as such, at 1,350,000 euros. That amount will remain in force until the General Shareholders' Meeting of DIA approves a new amount, as the case may be.

For 2020, the fixed annual remuneration of the non-nominee non-executive directors is set at the following amounts, notwithstanding pay reviews and modifications approved by the Board of Directors within the limit set by the General Shareholders' Meeting.

- Annual basic remuneration:
 - Chairman of the Board of Directors: 250,000 euros gross.
 - Deputy Chairman of the Board of Directors: 200,000 euros gross.
 - Member of the Board of Directors: 100,000 euros gross.
 - Additional annual remuneration for membership on committees:
 - Committee Chairman: 50,000 euros gross.
 - Committee Member: 20,000 euros gross.
- (ii) A deferred remuneration in shares, based on the allocation to each non-nominee non-executive director, at the beginning of their three-year term, of a number of DIA shares equivalent to 150,000 euros.

The right to receive the shares accrues proportionally over the period of three years, but the shares shall not be delivered until the end of that period (or upon termination of the director for a reason not attributable to him, if sooner). The Board of Directors has the authority to bring forward the right to receive the shares in order to be able to deliver the total number of shares initially allocated to the director at the time of his termination. The number of shares allocated may be adjusted by application of the habitual anti-dilution clauses.

In order to permit the application of this deferred remuneration in shares, pursuant to article 219 of the LSC, the General Shareholders' Meeting authorizes the allocation to directors under this Remuneration Policy of a maximum of 7,500,000 ordinary shares in the Company with a unit par value of €0.10. In allocating these shares, it was established that the average closing price of the DIA share in the last 15 trading sessions immediately preceding the reference date will be taken as a reference, and that the reference date will be the date of appointment by co-optation or resolution of the General Shareholders' Meeting, as applicable. The Company may cover the indicated shares using any shares that make up or that may make up its treasury stock from time to time or use other appropriate coverage systems. For the non-nominee non-executive directors Mr. Christian Couvreur, Mr. Jaime García-Legaz Ponce and Mr. José Wahnón Levy, the reference date used was August 30, 2019, date of approval of the Remuneration Policy by the General Shareholders' Meeting.

Accordingly, the Company's Board of Directors, at its meeting of September 3, 2019, resolved to allocate to each non-nominee non-executive director 304,940 ordinary shares in DIA, as a result of dividing 150,000 euros by the average closing price of the DIA share during the 15 trading sessions immediately preceding August 30, 2019, which amounted to 0.4919 euros per share. Therefore, the waiting period to be able to receive those shares will end on August 30, 2022.

However, as a result of the dilution caused by the capital increase and reduction transactions approved by the Shareholders' Meeting on October 22, 2019, the Board of Directors decided, at its meeting on December 11, 2019, to adjust the number of shares initially allocated to the non-nominee non-executive directors, in accordance with the anti-dilution clause established in the Remuneration Policy for this deferred remuneration in shares. Taking into account an approximate adjustment ratio of 3.39, considering that market price of DIA's share, before the increase, was around 0.45 euros per share and, after the increase, around 0.1326 euros per share, the number of shares finally allocated to each of the non-nominee non-executive

directors, under this deferred remuneration in shares, was established at 1,034,864 ordinary DIA shares.

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

In relation to executive directors, the remuneration to be received by them for performing executive functions at the Company (which are therefore different from the functions related to their status as members of the Board, which is not 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, the purpose of which is to reinforce their commitment to the Company and encourage the best performance of their functions, which may include:
 - 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.
 - Medium- and long-term variable remuneration, consisting of medium- and long-term incentive plans (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. In the case of plans linked to Company shares, they shall be submitted to the General Shareholders' Meeting for approval in accordance with the law.

The variable remuneration of the executive directors may have the consideration of 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 may not exceed 200% of his annual fixed remuneration multiplied by the number of years of reference of the medium- and long-term variable remuneration plan (normally three years).

- (iii) Some items of remuneration in kind, in order to offer a competitive and attractive remuneration package to the executive directors. That remuneration in kind may consist of, without limitation: accommodation, life and accident insurance, health insurance, an annual medical check-up or a company car, in accordance with the Company's policies. In all cases, remuneration in kind shall not exceed 5% of the executive director's annual fixed remuneration.

For fiscal year 2020, the Company has an executive director, Mr. Karl-Heinz Holland (the "Chief Executive Officer") whose remuneration is the following:

- (i) Annual fixed remuneration of 3,000,000 euros gross.
- (ii) Long-term variable remuneration for the period 2020-2022 ("LTI 2020-2022"), linked to some strategic objectives that are pending approval at the date of preparation of this Report. The characteristics of the LTI 2020-2022 will be included in the ARR of next year. The value assigned to the Chief Executive Officer for his participation in the LTI 2020-2022 shall not in any case exceed 200% of his annual fixed remuneration times the number of years of the LTI 2020-2022, and a portion thereof, which may not exceed 25% of the maximum value of the incentive granted, shall have the consideration of minimum or guaranteed remuneration.

The Chief Executive Officer does not participate in any annual variable remuneration plans.

- (iii) Some remuneration in kind which may consist of the Company's bearing the cost of his accommodation in Madrid, life and disability insurance, health insurance and the use of a company car, according to DIA's policies in this respect, all up to a maximum annual amount of 2.5% of his annual fixed remuneration.

3. Description of the procedures and bodies at the Company involved in the determination and approval of the remuneration policy and its terms and conditions

The bodies in charge of designing the Company's Remuneration Policy are the Board of Directors and the NRC, while the General Shareholders' Meeting is the one that has the authority, according to article 16 of DIA's bylaws ("Bylaws"), to approve the Directors' Remuneration Policy, pursuant to applicable legislation.

In accordance with article 31 of the Bylaws and article 5 of the Board Regulations, pursuant to articles 249, 249 bis and 529 octodecies of the LSC, the Board of Directors is in charge of the following:

- making decisions relating to the remuneration of directors, pursuant to the bylaws and, as the case may be, the remuneration policy approved by the General Shareholders' Meeting; and
- establishing, in the case of the executive directors, any additional remuneration for their executive duties and other terms and conditions that apply to their contracts.

In addition, according to the provisions in article 31.4(j) of the Bylaws and article 5.4.b) (ix) of the Board of Directors' Regulations, the Board of Directors of DIA is the competent body to prepare the annual corporate governance report and the annual report on directors' remuneration, and to submit it to the General Shareholders' Meeting.

Pursuant to article 39.4 of the company's Board of Directors' Regulations, the NRC has the following functions, among others:

- propose the following to the Board of Directors: (a) the remuneration policy for the directors and senior managers or for those who perform senior management functions under the direct supervision of the Board, committees or of managing directors, and (b) the individual remuneration of executive directors, and the other terms and conditions in the contracts, ensuring that they are observed, and (c) the basic terms and conditions of senior executives' contracts;
- analyze, draw up and regularly review the applicable remuneration policy for executive directors and the management team, including the stock remuneration plans and their application, and guarantee that they are proportional to the amounts paid to other directors and members of the management team and other members of the company's staff;

- monitor observance of the remuneration policy established by the Company;
- in general, supervise the compliance with the rules of corporate governance applicable to the Company, including periodically evaluating its corporate governance plan in order for it to fulfill its aim of promoting social interest and taking into account, as appropriate, the legitimate interests of the other interest groups;
- inform the shareholders of the performance of its functions, attending for that purpose the General Shareholders' Meeting; and
- assist the Board of Directors in drawing up the directors' remuneration report and submit any other reports to the Board of Directors in relation to the remuneration stipulated herein, verifying the information on the remuneration of the directors and senior executives contained in the different corporate documents, including the annual report on directors' remuneration.

In addition, the NRC plays an important role in drawing up the directors' annual remuneration report, in order to ensure it is in line with the best corporate governance practices and with the regulations in force.

The Bylaws and the Board of Directors' Regulations state that the NRC must be formed by non-executive directors, mostly independent, with a number that must be determined by the Board of Directors, with a minimum of three and a maximum of five.

At the date of preparation of this Report, the composition of the NRC is as follows:

- Mr. Christian Couvreur, independent director, as Chairman.
- Mr. Jaime García-Legaz Ponce, independent director, as a member.
- Mr. Stephan Ducharme, nominee non-executive director, as a member.

Mr. Álvaro López-Jorrín Hernández, Nondirector Secretary of the NRC, who performs the duties of Nondirector Secretary of the company's Board of Directors.

The Board of Directors' Regulations state that such Committee shall hold a meeting as often as may be deemed necessary in the opinion of its Chairman, who shall call 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.

In 2019, the NRC, in its different compositions throughout the year, held eleven official meetings, and passed resolutions in writing and without holding a meeting on four other occasions (including the issuance of the relevant minutes), and it held frequent informal and preparatory sessions. In fiscal year 2020 and up to the date of preparation of this Report, the NRC has held two official meetings and adopted two resolutions in writing without holding a meeting.

Section B.1 of this Report gives an account of the procedures, matters and decisions performed and adopted by the NRC and the Board in 2019, in their different compositions throughout the year, in accordance with the authorities described above.

4. Comparable companies considered when establishing the Company's remuneration policy

The aim of the DIA Remuneration Policy is for the directors' remuneration to comply with market trends and references in relation to remuneration in the Company's sector of business, so that it is aligned, both quantitatively and qualitatively, with the best market practices followed by national and international companies whose activity is related to the production and distribution of consumer goods.

5. Information on whether any external advisor has participated and, if so, the identity thereof

In general, all the proposals of the NRC have received the assistance of the Company's internal advisors and, where appropriate, external advisors who perform their analyses to ensure the best corporate governance practices.

In this regard, Garrigues has advised DIA in relation to the preparation of this Remuneration Policy and of this Report.

6. Relative importance of variable vs. fixed remuneration items (remuneration mix)

As established in the Remuneration Policy, only the executive directors have the possibility of receiving variable remuneration. This policy thus complies with Recommendation no. 57 of the code of good governance for listed companies of the Spanish National Securities Market Commission (“CNMV”) which establishes that variable remuneration should be confined to executive directors.

The variable remuneration plan for executive directors is based on objective, predetermined and measurable criteria for evaluating the executive directors’ contribution, in the performance of their executive functions, to the business objectives of the Company and of the DIA Group.

The variable remuneration of the executive directors permits remunerating ongoing performance over a sufficient period of time to enable evaluating the director’s contribution to sustainable value creation. This ensures that performance measurement is not based solely on one-off, occasional or extraordinary events.

The variable remuneration plan of the executive directors can include two variable components: (i) a short-term variable remuneration component (annual bonus), and (ii) as appropriate, a medium- and long-term variable remuneration component (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. Nonetheless, as indicated, the Company’s current Chief Executive Officer does not participate in any short-term variable remuneration plan, as his variable remuneration is linked to the achievement of long-term objectives.

To determine the relative importance of the variable vs. fixed remuneration items in 2020 (“Remuneration Mix”), the items of the current remuneration of the Chief Executive Officer indicated in section A.1.2 above have been considered.

7. Objective criteria taken into account in the determination of the variable remuneration items

As mentioned previously, the Remuneration Policy establishes a variable remuneration plan for the executive directors which includes two components: a short-term variable remuneration component, and a medium- and long-term variable remuneration component.

Regarding the short-term variable remuneration, the Remuneration Policy establishes that the executive directors may receive short-term variable remuneration payable in cash and linked to the achievement of economic-financial and non-financial objectives, and, as appropriate, to the achievement of personal objectives. Moreover, it establishes a maximum aggregated annual amount of short-term fixed and variable remuneration which an executive director may receive of 3,000,000 euros gross.

Regarding the long-term variable remuneration, the Remuneration Policy establishes that executive directors may participate in medium- and long-term incentive plans (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. Moreover, it is established that the maximum value of medium- and long-term remuneration of an executive director may not exceed 200% of the annual fixed remuneration received by the executive director throughout the duration of the long-term remuneration plan (normally 3 years).

Nonetheless, in the case of the current Chief Executive Officer, his variable remuneration only contemplates long-term variable remuneration. As indicated, at the date of preparation of this Report, the strategic objectives to which the LTI 2020-2022 is linked have not been approved. The characteristics of that LTI 2020-2022 will be included in the annual report on directors' remuneration of for 2020.

8. Actions taken by the company in relation to the remuneration plan, to reduce exposure to excessive risk and adjust it to the company's long-term objectives, values and interests, period of accrual and of payment deferral

The principles regulating the Remuneration Policy take into account the shareholders' interests and value creation for the Company. Therefore, the remuneration plan seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results.

Through its Board of Directors and its NRC, the DIA Group performs an ongoing supervision and review of the application of its directors' remuneration policy.

As a result, the remuneration plans for the directors in the DIA Group implicitly include in their design the following measures to control risks:

- The remuneration of directors, in their capacity as such, is currently limited to the non-nominee non-executive directors and consists of a fixed amount in cash and deferred remuneration in shares, which shall accrue proportionally over a period of three years, but the shares shall not be delivered until the end of that period (or upon termination of the director for a reason not attributable to him, if sooner).
- The variable remuneration is only available to the Chief Executive Officer and linked to the achievement of some financial-economic and/or non-financial parameters aligned with some strategic objectives of the Company and the long-term creation of value, such that the elements of performance measurement are not based solely on one-off, occasional or extraordinary events. The Company considers that the Chief Executive Officer's fixed remuneration constitutes the base of his total remuneration, as his variable remuneration is conditional on the fulfillment of certain performance criteria established for the 2020-2022 period. Accordingly, if the targets set for the period are not met, no variable remuneration will accrue.
- In accordance with the provisions in article 33 of the Board of Directors' Regulations, where variable components of remuneration are paid, the payment of a large part thereof is deferred for a sufficient period of time to enable verifying the performance criteria established.
- According to article 33 of the Board of Directors' Regulations, the payments for termination of contract of executive directors shall not exceed two years of the total annual remuneration, and shall not be paid if the termination of the contract is due to inadequate performance and until the Company has been able to verify that the director has met the performance criteria established previously.
- The current Chief Executive Officer's contract includes a clawback clause, whereby the Company can, in certain cases, claim a reimbursement of the amounts received, if any, as a consequence of the director's participation in the LTI 2020-2022.

9. Amount and nature of the fixed components which are expected to accrue to the directors in the fiscal year

Fixed remuneration of the directors in their capacity as such:

According to the Remuneration Policy, the maximum amount of the fixed remuneration payable to the directors as a whole, in their capacity as such, is 1,350,000 euros. That amount is the one in force for fiscal year 2020 and shall remain in force until the General Shareholders' Meeting of DIA approves a new amount, as the case may be.

For 2020, the annual fixed remuneration is set at the amounts established in the Remuneration Policy, indicated in section A.1.2 above.

Fixed remuneration of executive directors

For fiscal year 2020, the annual fixed remuneration for the performance of executive functions of the current Chief Executive Officer, Mr. Karl-Heinz Holland, is the one indicated in section A.1.2 above.

10. Amount and nature of any component remuneration in kind that will accrue in the fiscal year, including but not being limited to insurance premiums paid in favor of the director

In relation to the current Chief Executive Officer, for 2020, DIA bears the cost of his accommodation in Madrid (including utilities), which amounts to an estimated total of 46,000 euros per annum.

At the date of preparation of this Report, DIA does not foresee paying other remuneration in kind.

11. Financial and non-financial parameters, including in the latter social, environmental and climate change parameters, selected to determine the variable remuneration in the fiscal year in course, explanation of to what extent those parameters are related to the remuneration of both the director and of the entity and with its risk profile, and the methodology, necessary period and techniques established to be able to determine, at the end of the fiscal year, the degree of achievement of the parameters used in the design of the variable remuneration. Indicate the range in monetary terms of the different variable components according to the degree of achievement of the objectives and parameters established, and whether there is any maximum monetary amount in absolute terms

As indicated, the Remuneration Policy only envisages variable remuneration for executive directors.

In this regard, the remuneration system applied to the current Chief Executive Officer exclusively envisages long-term variable remuneration (LTI 2020-2022) linked to the achievement of some financial-economic and/or non-financial parameters aligned with some strategic objectives of the Company and long-term value creation. The strategic objectives to which the LTI 2020-2022 is linked are pending approval at the date of preparation of this Report. The features of the LTI 2020-2022 shall be informed in the annual report on directors' remuneration of next year.

12. Main characteristics of the long-term savings plans

No savings plan is established for the current directors for the current fiscal year.

13. Payments or indemnities for early termination or removal, or derived from the termination of the contractual relationship on the terms established between the company and the director, in his capacity as such, whether due to the company's or the director's decision

The non-executive directors of DIA are not entitled to severance pay for termination of their functions as director.

Regarding the Chief Executive Officer, the Remuneration Policy establishes that in the event of termination of the contract by him for certain reasons, which include the change of control of the Company, before the end of the initial period of provision of services, established from May 21, 2019 to December 31, 2022, the Chief Executive Officer will have the right to receive a severance payment equal to the annual fixed remuneration received by him from the last day of the advance notice period until the end of that initial period of provision of services.

14. Agreements reached, such as exclusivity, post-contractual noncompete undertaking and retention of directors, which entitle them to any type of payment

The Remuneration Policy establishes that where an executive director's contract contains a post-contractual non-compete undertaking, his remuneration may include a periodic fixed remuneration component in cash, as consideration for such undertaking, which may not exceed the fixed remuneration corresponding to the noncompete period.

In this regard, the current Chief Executive Officer's contract includes a post-contractual non-compete undertaking of six months in certain cases of termination, and the economic compensation is 300,000 euros gross.

15. Conditions that must be respected in the contracts of those who perform senior management functions as executive directors

Besides what is stated in sections A.1.13 and A.1.14 above, according to the Remuneration Policy and the contract of the Chief Executive Officer, approved according to articles 249.3 and 529 octodecies of the LSC, the essential terms and conditions of those contracts include, among others:

- Term: indefinite. Notwithstanding, for the effectiveness of certain financial conditions agreed upon with the current Chief Executive Officer, the Company has established an initial period of provision of services that runs from May 21, 2019 to December 31, 2022.
- Exclusivity: The Chief Executive Officer shall provide his services on a full and exclusive basis to the Company and the DIA Group, unless he is a member of certain boards of directors or obtains the Company's prior express consent.
- Advance notice period: The Chief Executive Officer shall notify his intention to terminate his contract three months in advance if it is based on certain grounds, including a change of control at the Company, or six months in advance if based on any other grounds.
- Clawback clause: In certain cases the Company may require the Chief Executive Officer to reimburse any amounts received in relation to LTI 2020-2022.

16. The nature and estimated amount of any other supplementary remuneration that will be earned by the directors in the current fiscal year in consideration for services provided other than those inherent to their post

There is no supplementary pay for services provided to the Company other than that indicated in the preceding sections.

17. Other remuneration items such as those derived, if any, from the provision by the company to the directors of advances, loans and guarantees and other items

There is no remuneration in the form of advances, loans and guarantees provided to the directors.

18. The nature and estimated amount of any other supplementary remuneration not included in the preceding sections, whether paid by the entity or by another group entity, that will be earned by the directors in the current fiscal year

There is no remuneration to the members of DIA's Board of Directors other than the items indicated in preceding sections, whether paid by DIA or by another Group entity.

A.2 Explain any relevant change in the remuneration policy applicable in the current fiscal year, derived from:

- A new policy or an amendment of the policy already approved by the Shareholders' Meeting.
- Relevant changes in the specific determinations established by the Board for the current fiscal year in the remuneration policy in force, with respect to the policy applied in the preceding year.
- Proposals which the Board has resolved to present to the shareholders' meeting to which this annual report will be submitted and which the Board proposes applying in the current fiscal year.

As indicated in section A.1 above, the Remuneration Policy was submitted to the Special General Shareholders' Meeting held on August 30, 2019 for approval, based on a favorable report by the NRC.

In this regard, the Remuneration Policy in force for fiscal year 2020 was also applicable on the same terms in fiscal year 2019, with effects from September 1 until December 31, 2019.

The Remuneration Policy introduced changes in the directors' remuneration system established in the previous remuneration policy ("Previous Remuneration Policy") approved by the General Shareholders' Meeting held on April 20, 2018, and which was applicable in 2019, from January 1 to August 31, 2019.

The most relevant changes in the Remuneration Policy compared to the Previous Remuneration Policy are the following:

- Regarding the remuneration of directors in their capacity as such, the Remuneration Policy:
 - Does not provide for the payment of fees for attending the meetings of the Board of Directors or its Committees, which were established in the Previous Remuneration Policy.

- Establishes annual fixed remuneration in cash only for non-nominee non-executive directors, unlike the Previous Remuneration Policy which provided for fixed remuneration for all directors in their capacity as such, establishing the payment thereof 50% in cash and 50% in shares.
- It introduces a deferred remuneration in shares for the non-nominee non-executive directors, based on the allocation to each director, at the beginning of their three-year term, of a number of shares in DIA that will not be delivered until the end of the term of office (or upon termination of the director for grounds attributable to him, if sooner). The Previous Remuneration Policy did not envisage this type of remuneration for non-executive directors.
- Regarding the remuneration of executive directors, the Remuneration Policy generally maintains a remuneration system for executive directors that is similar to that of the previous policy, formed by a fixed component in cash and in kind and a variable component although, unlike the Previous Remuneration Policy, the current Chief Executive Officer's variable remuneration does not include a short-term component, but only a long-term component.

A.3 Indicate the direct link to the document which contains the current remuneration policy, which should be available on the company's web page.

<https://www.diacorporate.com/recursos/doc/corporativo/20190726/2019-estrordinaria/politica-de-remuneraciones.pdf>

A.4 Explain, taking into account the data provided in section B.4, how the vote of the shareholders at the general shareholders' meeting to which the annual remuneration report of the previous year was submitted to advisory vote, has been taken into account

The AAR of 2018 was rejected, on an advisory basis, by the General Shareholders' Meeting with the vote against it of 68.8263% of the total votes cast, on the terms set forth in section B.4.

Due to the shareholders' vote against the report of the last year, it was necessary to submit the Remuneration Policy to the General Shareholders' Meeting held on August 30, 2019, which was approved by 92.1739% of the total valid votes cast.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE YEAR CLOSED

B.1 Explain the process followed to apply the remuneration policy and to determine the individual remuneration reflected in section C herein. This information will include the role performed by the remuneration committee, the decisions made by the board and, as appropriate, the identity and role of external advisors whose services have been used in the process of applying the remuneration policy in the last fiscal year closed.

The following remuneration policies were applicable to board members in 2019:

- The Previous Remuneration Policy approved by the General Shareholders' Meeting on April 20, 2018, which was applied from January 1, 2019 to August 31, 2019.
- The Previous Remuneration Policy approved by the General Shareholders' Meeting on August 30, 2019, which was applied from January 1, 2019 to September 1, 2019.

In relation to the procedures followed in 2019 by the NRC and the Board of Directors to supervise the application of those remuneration policies, there follows a list of the different decisions adopted both by the NRC and by the Board in relation to directors' remuneration:

- Evaluation of the degree of achievement of the objectives under Incentive Plan 2016-2018
- Approval of the contract of the executive director Miguel Ángel Iglesias, pursuant to article 249.3 of the LSC.
- Approval of application of the Previous Remuneration Policy as regards remuneration of directors in their capacity as such for 2019.
- Legal analysis of the potential rights and actions to which the Company may be entitled in connection with the termination of executive directors and senior executives in 2018.
- Analysis of the appropriate legal action in connection with the termination of the Company's former Chief Executive Officer Mr. Currás.
- Monitoring of the proceedings and claims regarding the executive directors and senior executives terminated in 2018.

- Approval of the contract conditions proposed for the new Chief Executive Officer Mr. Holland.
- Review of directors' remuneration conditions and the need to approve a new directors' remuneration policy in line with the aforesaid proposal.
- Approval of the terms of the termination of all previous labor relationships with Miguel Ángel Iglesias, as Company executive.
- Approval of the Remuneration Policy effective September 1, 2019.
- Approval of the contract of the current Chief Executive Officer, Mr. Holland.
- Application of the new system of remuneration for current directors, in accordance with the provisions of the Remuneration Policy.
- Approval of the termination of the Incentive Plan 2016-2018, which led to non-delivery of the second half of the shares derived from said plan, scheduled for January 2020.
- Analysis of the implementation of the new incentive plan for 2020-2022.

B.2 Explain the different actions taken by the company in relation to the remuneration plan and how they have contributed to reducing exposure to excessive risk and adjusting it to the company's long-term objectives, values and interests, including a reference to the measures taken to ensure that the remuneration accrued takes into account the company's long-term results and an appropriate balance between fixed and variable components of remuneration, what measures have been taken in relation to the categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

The different actions adopted by the Company to (i) reduce exposure to excessive risk, (ii) adjust the remuneration to the Company's long-term interests, and (iii) reach a balance between the fixed and variable components of directors' remuneration, are described in section A.1.8 of this Report on the Remuneration Policy.

In particular, in 2019, the following steps were taken:

- In accordance with the policies in force in 2019, directors' remuneration in their capacity as such comprises a fixed amount. Under the Previous Remuneration Policy, 50% of said fixed amount was paid in cash and the remaining 50% was paid in shares. Under the Remuneration Policy, the fixed amount is paid entirely in cash and is limited to non-nominee non-executive directors.
- Since the application of the Remuneration Policy, directors no longer receive per diems for attending Board or committee meetings.
- The Remuneration Policy introduced share-based deferred compensation only for non-nominee non-executive directors, with these shares only being delivered upon completion of each director's term of office.
- In 2019, no variable remuneration was paid, either in the short or long term, to executive directors in that post during 2019.
- Under the provisions of the current Chief Executive Officer's contract, the variable remuneration that he could receive for participation in the LTI 2020-2022 is subject to a clawback clause, which permits the Company to claim the repayment of any amounts paid to the Chief Executive Officer for participation in said plan.

B.3 Explain how the remuneration accrued in the fiscal year complies with the provisions of the remuneration policy in force.

Also inform on the relationship between the remuneration obtained by the directors and the results or other measurements of performance at the entity, on the short and long term, explaining how the variation in the company's results may have affected the variation in the remuneration of directors, including the remuneration accrued and deferred, and how this remuneration contributes to the company's results on the short and long term.

1. The compensation accrued in the fiscal year complies with the provisions of the remuneration policy in force

The remuneration accrued by Company directors in 2019, upon application of the remuneration policies in effect during that year, is as follows:

Under the Previous Remuneration Policy:

- The directors, in their capacity as such, received the amounts detailed in section B.5, which includes both their fixed remuneration (50% in cash and 50% in shares) for belonging to the Board and to the different committees, and the attendance fees in cash for attending the meetings of the Board and of the committees.

In connection with the delivery of shares to directors in their capacity as such, derived from application of the Previous Remuneration Policy, the General Shareholders' Meeting held on March 20, 2019 approved the maximum number of shares to be delivered to each director in his or her capacity as such, calculated as the result of dividing 50% of the fixed remuneration of each director by the volume weighted average of the closing prices of DIA shares on the 15 trading days prior to February 7, 2019 (inclusive).

In accordance with the foregoing, the total amount earned by all directors, in their capacity as such, while the Previous Remuneration Policy was in force, is proportionally in compliance with the maximum limit established in that policy (i.e., 2,000,000 euros, with the proportional amount corresponding to the period of validity of the policy during 2019 being 1,320,548 euros).

At the Board of Directors' meeting of September 3, 2019, the nominee directors (Stephan DuCharme, Michael Joseph Casey and Sergio Ferreira Dias) expressly waived the remuneration to which they would have been entitled under the Previous Remuneration Policy, for the period between the date of their appointments and August 31, 2019. In this regard, the aforementioned nominee directors received no remuneration whatsoever under the Remuneration Policy applicable as from September 1, 2019.

- The remuneration accrued by the executive directors, Mr. Iglesias and Mr. de la Cierva, under the Previous Remuneration Policy, from January 1, 2019 to the date of termination of their posts as directors (Mr. Iglesias, on March 20, 2019 and Mr. de la Cierva, on May 21, 2019) was as follows:
 - Fixed remuneration in cash, detailed in section B.5 below.

- Certain remuneration in kind, detailed in section B.14 below.

Neither Mr. Iglesias nor Mr. de la Cierva has received annual variable remuneration in relation to 2019 due to having discontinued in their posts prior to December 31, 2019.

Neither Mr. Iglesias nor Mr. de la Cierva has participated in any long-term incentive plan implemented by the Company (without prejudice to Mr. Iglesias's participation in the Incentive Plan 2016-2018, in his condition as executive).

In connection with Mr. Iglesias's participation in Incentive Plan 2016-2018, in his capacity as executive, the net shares delivered to Mr. Iglesias for his participation in said plan, amounted to 5,665 (50% of the number of shares corresponding to him). As detailed in section B.7 below, the remaining 50% of the shares that corresponded to Mr. Iglesias under Incentive Plan 2016-2018 were not delivered to him, given that the Board of Directors decided to extinguish said plan, consequently resolving to not proceed with the delivery of the remaining 50% of shares derived from the plan, scheduled for January 2020.

Karl-Heinz Holland, who was appointed Chief Executive Officer on May 21, 2019, waived the remuneration to which they would have been entitled under the Previous Remuneration Policy, for the period between May 21, 2019 and August 31, 2019. In accordance with the terms of his contract, approved by the Board of Directors on September 3, 2019, his remuneration is retroactive as from the date of his appointment (May 21, 2019).

Under the Remuneration Policy:

- In 2019, remuneration of the current non-executive directors as accrued between September 1, 2019 and December 31, 2019 is detailed in section B.5. Said remuneration includes only the fixed remuneration paid in cash. DIA shares accrued as part of the deferred remuneration granted to each non-nominee non-executive director will not be delivered until the end of each director's three-year term of office or when he or she leaves the post, if the latter occurs first and is not due to reasons attributable to the director.

Accordingly, the total amount earned by non-nominee non-executive directors, while Remuneration Policy was in force in 2019, is proportionally in compliance with the maximum limit established in that policy (i.e., 1,350,000 euros, with the proportional amount corresponding to the period of validity of the policy during 2019 being 458,630 euros).

- Remuneration of the current Chief Executive Officer corresponds with that accrued from the date of his appointment (May 21, 2019), pursuant to the terms of his contract, to December 31, 2019. Said remuneration corresponding to 2019 was as follows:
 - Fixed remuneration in cash, detailed in section B.5 below.
 - Certain remuneration in kind, detailed in section B.14 below.

2. Relationship between the remuneration obtained by directors and the results or other measurements of performance, short- and long-term, at the company, explaining, as the case may be, how variations in the company's results may have influenced the variation in directors' remuneration.

In order to adapt the remuneration of the executive directors to the short- and long-term results of DIA, the Previous Remuneration Policy, in force up to August 30, 2019, established two remuneration components:

- (i) annual variable remuneration linked in a significant percentage (i.e., at least 50%) to quantitative business objectives and to specific key objectives for the short-term performance of the business (at least 30%), according to the Board of Directors' criteria; and
- (ii) a long-term variable remuneration based on long-term incentive plans linked to strategic conditions and objectives, payable in cash or in shares (i.e., Incentive Plan 2016-2018).

The short- and long-term variable remuneration plans envisaged measures that took into account possible variations in the Company's results, which included:

- Scales of achievement for each objective based on the Company's results. Consequently, any variation in the Company's results on the short or long term affected the degree of achievement of the objectives and directly the amount of variable remuneration that may be obtained by the executive directors, as the case may be.
- Only where the Board of Directors approved the financial statements with which to determine the degree of achievement of the objectives did the short- or long-term variable remuneration accrue.
- Moreover, the long-term remuneration envisaged the obligation to keep the shares received until they reached a number of shares equivalent to two times the fixed remuneration, in the case of holding the post of Chief Executive Officer at that time, and one time the fixed remuneration in the case of the members of the Management Committee.
- All of the variable remuneration of the executive directors was subject to a clawback clause, which permitted the Company to claim the repayment of the variable components of remuneration if, in the three years following their calculation and payment, the Company became aware that the calculation and payment of that remuneration was fully or partially based on information manifestly proven to be false or inaccurate afterwards, or risks or other unexpected circumstances arise not assumed or foreseen by the Company which had a material adverse effect on the Company's income statement.

Notwithstanding the above, none of the executive directors that held such position in 2019 received any variable remuneration whatsoever, neither short nor long term, in connection with fiscal year 2019.

B.4 Report on the outcome of the advisory vote of the General Shareholders' Meeting on the annual report on directors' remuneration for the previous year, indicating the number of votes cast against it, if any:

	Number	% of total
Votes validly cast	328,602,802	52.79%

	Number	% of votes in favor and against
Votes in favor	97,029,623	29.53
Votes against	214,225,600	65.19
Abstentions	17,347,579	5.28

B.5 Explain how the fixed components accrued during the fiscal year by the directors in their capacity as such have been determined and how they have varied with respect to the preceding year.

The fixed remuneration accrued by DIA directors in their capacity as such in 2019 is described below.

Remuneration accrued from January 1, 2019 to August 31, 2019, under the Previous Remuneration Policy:

Director	Fixed remuneration in cash (€)	Fixed remuneration in shares (€)	Attendance fees (€)	Total (€)
Mr. Richard Golding	21,407.51	2,359.24	27,000	50,766.75
Mr. Mariano Martin Mampaso	23,008.92	3,021.36	28,000	54,030.28
Mr. Antonio Urcelay Alonso	21,407.51	2,359.24	27,000	50,766.75
Mr. Borja de la Cierva Álvarez de Sotomayor	16,426.94	1,810.44	24,000	42,237.38
Mr. Julián Díaz González	21,008.18	2,758.57	20,000	43,766.75
Ms. Angela Spindler	20,826.71	2,940.04	24,000	47,766.75
Ms. María Garaña Corces	21,407.51	2,359.24	23,000	46,766.75
Mr. Miguel Ángel Iglesias Peinado	9,203.78	1,014.25	10,000	20,218.03
Mr. Christian Couvreur	16,484.27	2,327.04	11,000	29,811.31
Mr. José Wahnnon	17,286.20	1,905.03	17,000	36,191.23
Mr. Jaime García-Legaz Ponce	39,531.01	4,356.72	42,000	85,887.73
Total	227,998.49	27,211.17	253,000	508,209.66

The most noteworthy aspects of those figures are as follows:

- All the figures include amounts earned by the directors from January 1, 2019 to August 31, 2019.
- The fixed remuneration in cash comprises the sum corresponding to 50% of the fixed remuneration of the directors, in their capacity as such, plus a cash amount equivalent to the shares sold to make the payment of the personal income tax withholdings derived from the delivery of the shares to the directors, which the directors must bear.

In that regard, the fixed remuneration accrued from January 1, 2019 to August 31, 2019 corresponds with the following amounts for posts and membership on committees, decided at the Board meeting held on February 6, 2019:

- Chairman of the Board of Directors: 165,000 euros
 - Member of the Board of Directors: 80,000 euros
 - Chair of a committee: 35,000 euros (additional).
 - Member of a committee: 25,000 euros (additional).
- The number of shares to be delivered to each director in his capacity as such has been calculated by dividing 50% of the fixed remuneration by the volume weighted average of the closing prices of the DIA shares on the 15 trading days prior to the date of the Board of Directors' meeting in which the financial statements of 2019 were prepared, subtracting the number of shares equal to the relevant personal income tax withholdings, which are borne by the director.
 - Attendance fees have been calculated by applying an amount of 2,000 euros for each Board meeting attended and 1,000 euros for each Committee meeting attended.

Remuneration accrued from September 1, 2019 to December 31, 2019, under the Remuneration Policy:

Director	Fixed remuneration in cash (€)
Mr. Christian Couvreur	66,712.33
Mr. José Wahnón Levy	60,136.99
Mr. Jaime García-Legaz Ponce	73,232.88
Total	200,082.20

The most noteworthy aspects of those figures are as follows:

- All the figures include amounts accrued by directors during the period of validity of the Remuneration Policy, from September 1, 2019 to December 31, 2019.
- The fixed remuneration in cash therefore includes both the basic annual remuneration and the additional annual remuneration for membership on Board Committees, in accordance with the following breakdown:
 - Basic annual remuneration for membership on the Board of Directors 100,000 euros gross.
 - Additional remuneration as Chairman of a Committee: 50,000 euros gross.
 - Additional remuneration as member of a Committee: 20,000 euros gross.

The amount of fixed remuneration also includes extraordinary cash remuneration of 10,000 euros for each non-nominee non-executive director, approved by the Board of Directors at its December 11, 2019 meeting, as consideration for the extraordinary performance of these directors and the special dedication required from them during the last quarter of the year, all the foregoing taking into account the existence of sufficient margin in relation with fixed remuneration of these directors pursuant to the Remuneration Policy.

In accordance with the foregoing, the total amount accrued by directors in 2019, in their capacity as such, upon application of both remuneration policies (the Previous Remuneration Policy and the Remuneration Policy), amounts to 708,291.86 euros.

In fiscal year 2018, the total amount earned by the directors, in their capacity as such, was 1,101,497.09 euros. Thus, the total amount earned by the directors, in their capacity as such, in 2019 entails a decrease of 393,205.23 euros with respect to that earned in 2018.

The difference in the directors' remuneration between fiscal year 2018 and fiscal year 2019 is mainly due to: (i) the change in the remuneration policy, with the resulting change in the amounts of fixed remuneration and the elimination of attendance fees; and (ii) the changes made in the composition of the Board and its Committees throughout 2019.

- B.6 Explain how the salaries accrued, during the last fiscal year closed, by each of the executive directors in their capacity as such, for the performance of management functions, have been determined and how they have varied with respect to the preceding year.

There follows a description of the fixed remuneration in cash earned in 2019 by the directors who have performed executive functions throughout 2019.

Remuneration earned under the Previous Remuneration Policy:

Director	Fixed remuneration in cash (€)	Period
Mr. Borja de la Cierva Álvarez de Sotomayor	258,948.41	From 1/1/2019 to 5/21/2019
Mr. Miguel Ángel Iglesias Peinado	57,695.72	From 1/1/2019 to 3/20/2019
Total	316,644.13	

Mr. Karl-Heinz Holland, who was named Chief Executive Officer on May 21, 2019, waived the remuneration that might have been payable to him under the Previous Remuneration Policy for the period from May 21 to August 31, 2019. According to his contract, approved by the Board of Directors on September 3, 2019, his remuneration has retroactive effects from the date of his appointment, May 21, 2019.

Remuneration earned under the Previous Remuneration Policy:

Director	Fixed remuneration in cash (€)	Period
Mr. Karl-Heinz Holland	1,841,666.67	From 5/21/2019 to 12/31/2019

According to Mr. Holland's contract, his fixed remuneration in cash under the Remuneration Policy is that accrued from the date of his appointment (May 21, 2019) up to December 31, 2019.

Thus, the total amount earned by the executive directors in 2019, as fixed remuneration in cash, under the two remuneration policies (the Previous Remuneration Policy and the Remuneration Policy), is 2,158,310.80 euros.

In fiscal year 2018, the total amount earned by the executive directors, as fixed remuneration in cash, was 709,759.83 euros. Thus, the total amount earned by the executive directors for this item in 2019 entails an increase of 1,448,550.97 euros with respect to that earned in 2018.

This increase in the fixed components in cash earned in 2019 by the directors of DIA, in the performance of their executive functions, is mainly due to the appointment of Mr. Karl-Heinz Holland as Chief Executive Officer.

B.7 Explain the nature and principal characteristics of the variable components of the remuneration accrued in the previous fiscal year.

In particular:

- Identify each one of the remuneration plans that have determined the different variable remuneration items earned by each of the directors during the last fiscal year closed, including information on their scope, date of approval, date of implementation, accrual periods and validity, criteria used to evaluate performance and how that has affected the setting of the variable amount accrued, the measurement criteria used, and the period necessary to be in a position to adequately measure all the conditions and criteria stipulated.

In the case of stock option plans or other financial instruments, the general characteristics of each plan will include information on the conditions both to acquire their unconditional ownership (vesting) and to be able to exercise those options or financial instruments, including the exercise price and period.

- Each of the directors and their category (executive directors, nominee non-executive directors, independent non-executive directors or other non-executive directors), who are beneficiaries of remuneration plans that include variable remuneration.
- As applicable, information on the accrual periods or payment deferral periods established and applied and/or the periods of maintenance/non-disposal of shares or other financial instruments, if any.

As stated before, none of the executive directors, who has had that status in 2019, has earned any variable remuneration, neither short- nor long-term, in relation to 2019, given that:

- Neither Mr. Iglesias nor Mr. de la Cierva has received annual variable remuneration in relation to 2019 due to having discontinued in their posts prior to December 31, 2019.
- Mr. de la Cierva has not participated in any long-term incentive plans established by the Company, in his capacity as executive director.

Mr. Iglesias participated in Incentive Plan 2016-2018 due to his status as executive of DIA. In this regard, under Incentive Plan 2016-2018, Mr. Iglesias received 5,665 shares in April 2019 (50% of the shares pertaining to him). The other 50% of the shares pertaining to Mr. Iglesias under Incentive Plan 2016-2018 have not been delivered to him given that the Board of Directors decided to terminate that Plan, thus deciding not to deliver the remaining 50% of shares that were envisaged to be delivered in January 2020.

- In fiscal year 2019, Mr. Holland has not participated in any short- or long-term variable remuneration plans.

B.8 Indicate whether certain variable components have been reduced or a reimbursement claimed where, in the first case, the payment has vested and been deferred or, in the second case, it has vested and been paid, based on data that has subsequently been shown to be clearly inaccurate. Describe the amounts reduced or reimbursed by application of the reduction or reimbursement (clawback) clauses, why they have been executed and the fiscal years to which they relate.

As indicated in the AAR of 2018, the Company was analyzing the impact which the accounting irregularities detected at the end of 2018 could have on the remuneration paid and outstanding payment to executive directors who were terminated in 2018.

The NRC analyzed, in order to submit to the Board of Directors, the possibility of activating the clawback clauses and their impact on the remuneration paid to the executive directors terminated in 2018, as well as the suitability of claiming a reimbursement of the amounts paid to them on occasion of their termination. In this regard, the Company has decided to claim back the following remuneration paid to Mr. Ricardo Currás de Don Pablos:

- Annual variable remuneration for 2016, in the amount of 616,620 euros.
- Annual variable remuneration for 2017, in the amount of 217,500 euros.
- Severance pay for termination, in the amount of 1,648,200 euros.
- Indemnity for lack of advance notice, in the amount of 303,300 euros.

In addition, as indicated in the 2018 ARR, the Company decided in November 2018 to suspend the payment of the financial compensation derived from the post-contractual non-compete undertaking assumed under Mr. Ricardo Currás de Don Pablos' contract. Up to then, DIA had paid Mr. Ricardo Currás de Don Pablos 101,000 euros in respect of two months' worth of such compensation.

In relation to Mr. Antonio Coto, as indicated in the ARR of 2018, as he did not receive any variable remuneration, neither short nor long-term, derived from his status of Chief Executive Officer, the Company has not activated the clawback clause for remuneration paid to Mr. Antonio Coto in his capacity as Chief Executive Officer of the Company.

- B.9 Explain the main characteristics of the long-term savings plans for which the annual amount or equivalent cost appears in the tables of Section C, including retirement and any other survival benefit, which are financed, in part or in full, by the company, whether provided internally or externally, indicating the type of plan, whether it is for defined contributions or benefits, the contingencies covered by it, the conditions on which economic rights vest in favor of the directors and their compatibility with any other kind of indemnity for early termination or for termination of the contractual relationship between the company and the director.

The Company has no long-term savings plans for of its directors.

- B.10 Explain any indemnities or other types of payments derived from early termination, whether due to removal by the company or resignation by the director, or from termination of the contract on the terms established in it, accrued and/or received by the directors in the last fiscal year closed.

In fiscal year 2019, the Company has paid the following amounts as compensation for the post-contractual non-compete undertaking, agreed with its executive directors:

- On occasion of the termination of Mr. de la Cierva, the Company decided to pay him compensation equal to twelve months' of fixed remuneration derived from a post-contractual non-compete undertaking during the twelve months following the date of termination of his contract as executive director, i.e., May 21, 2019. The amount paid in 2019 for this item is 353,850 euros gross, which is equal to seven months of compensation for the post-contractual non-compete undertaking.

- In relation to Mr. Coto, the Company decided to pay him compensation equal to twelve months of fixed remuneration for the post-contractual non-compete undertaking during the twelve months following the date of termination of his contract as executive director, i.e., December 28, 2018. The amount paid in 2019 for this item is 606,600 euros gross, which is equal to twelve months of compensation for the post-contractual non-compete undertaking.

The Company has not paid any severance or any other payments derived from the early termination of the contract of its directors, other than those indicated as compensation for the post-contractual non-compete undertaking.

B.11 Indicate whether there have been significant changes in the contracts of those who perform senior management functions as executive directors and, if so, explain them. Also, explain the main conditions of the new contracts signed with executive directors during the fiscal year, unless they have already been explained in section A.1.

The contract of the current Chief Executive Officer was approved by the Company's Board of Directors on September 3, 2019, and it contains the clauses and structures described in the relevant subsections of section A.1 of this Report.

B.12 Explain any supplementary remuneration accrued by directors as consideration for services provided other than those inherent in their office

The Company considers that it should report the following amounts that have been paid to Mr. Iglesias, in his capacity as executive, due to the termination of all of his prior employment relationships with the Company.

- Severance for termination by mutual agreement, in the amount of 833,514.14 euros gross.
- Compensation for post-contractual non-compete undertaking during the four months following the date of termination of all of his employment relationships, in the amount of 87,540 euros gross, which has been paid in full at the time of termination of his prior employment relationships.

B.13 Indicate any remuneration derived from the grant of advances, loans and guarantees, stating the interest rate, their essential features and any amounts subsequently repaid, together with the obligations assumed on their behalf under guarantees

There are no grants of advances, loans or guarantees by the Company to its directors.

B.14 Detail the remuneration in kind earned by the directors during the fiscal year, briefly explaining the nature of the different salary components.

There follows a description of the remuneration in kind earned in 2019 by the directors who have performed executive functions throughout 2019.

Remuneration earned under the Previous Remuneration Policy:

Director	Life insurance (€)	Health insurance (€)	Use of vehicle (€)	Total (€)
Mr. Borja de la Cierva Álvarez de Sotomayor	2,164.74	270.58	3,434.64	5,869.96
Mr. Miguel Ángel Iglesias Peinado	386.94	174.75	1,995.66	2,557.35
Total	2,551.68	445.33	5,430.30	8,427.31

As indicated, Mr. Karl-Heinz Holland waived the remuneration that might have been payable to him under the Previous Remuneration Policy for the period from May 21 to August 31, 2019. According to his contract, approved by the Board of Directors on September 3, 2019, his remuneration has retroactive effects from the date of his appointment, May 21, 2019.

Remuneration earned under the Remuneration Policy:

Director	Use of vehicle (€)	Housing (€)	Total (€)
Mr. Karl-Heinz Holland	1,969.49	15,773.33	17,742.82

According to Mr. Holland's contract, his remuneration in kind under the Remuneration Policy is that accrued from the date of his appointment (May 21, 2019) up to December 31, 2019.

Regarding the assignment of the use of a vehicle to Mr. Holland, the amount indicated relates to the remuneration in kind derived from the private use of the vehicle during the months of June and July 2019. However, in view of the fact that Mr. Holland's use of the vehicle is exclusively professional, the Company has considered that no remuneration should be allocated for this item.

B.15 Indicate the remuneration earned by the director by virtue of the payments made by the listed company to a third-party entity at which the director provides his or her services, where the purpose of such payments is to remunerate the director's services at the company

DIA has not made payments to a third-party entity at which the directors might provide services, where the aim is to remunerate them for their services at the Company.

B.16 Explain any remuneration item other than those listed above, regardless of its nature or the group entity making payment, especially when it may be considered a related-party transaction or when its issuance would distort a true and fair view of the total remuneration received by the director.

The directors have not earned any remuneration items in addition to those already described in this Report.

C. DETAIL OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

BOARD OF DIRECTORS UP TO 5/21/2019		
Name	Type of director	2019 accrual period
RICHARD GOLDING	Independent	From 1/1/2019 through 5/21/2019
MARIANO MARTIN MAMPASO	Independent	From 1/1/2019 through 5/21/2019
ANTONIO URCELAY ALONSO	Other non-executive	From 1/1/2019 through 5/21/2019
BORJA DE LA CIERVA ÁLVAREZ DE SOTOMAYOR	Executive	From 1/1/2019 through 5/21/2019
JULIÁN DÍAZ GONZÁLEZ	Independent	From 1/1/2019 through 5/21/2019
ÁNGELA SPINDLER	Independent	From 1/1/2019 through 5/21/2019
MARÍA GARAÑA CORCES	Independent	From 1/1/2019 through 5/21/2019
MIGUEL ÁNGEL IGLESIAS PEINADO	Executive	From 1/1/2019 through 3/20/2019
JAIME GARCÍA-LEGAZ PONCE	Independent	From 1/10/2019 through 5/21/2019
BOARD OF DIRECTORS AS FROM 5/21/2019		
Name	Type	2019 accrual period
CHRISTIAN COUVREUX	Independent	From 5/21/2019 through 12/31/2019
JOSÉ WAHNON LEVY	Independent	From 5/21/2019 through 12/31/2019
JAIME GARCÍA-LEGAZ PONCE	Independent	From 5/21/2019 through 12/31/2019
KARL-HEINZ HOLLAND	Executive	From 5/21/2019 through 12/31/2019
MICHAEL JOSEPH CASEY	Nominee Non-executive	From 5/21/2019 through 12/31/2019
SERGIO FERREIRO DIAS	Nominee Non-executive	From 5/21/2019 through 12/31/2019
STEPHAN DUCHARME	Nominee Non-executive	From 5/21/2019 through 12/31/2019

C.1 Complete the following tables on the individual remuneration of each director (including remuneration for executive functions) earned during the fiscal year.

a) Remuneration earned at the company to which this report relates:

i) Remuneration earned in cash (€k)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on Board committees	Salary	Short-term variable compensation	Long-term variable remuneration	Severance pay	Other items	Total fiscal year t	Total fiscal year t-1
Mr. Richard Golding	21	27	0	0	0	0	0	0	48	108
Mr. Mariano Martin Mampaso	23	28	0	0	0	0	0	0	51	118
Mr. Antonio Urcelay Alonso	21	27	0	0	0	0	0	0	48	112
Mr. Borja de la Cierva Álvarez de Sotomayor	16	24	0	259	0	0	354	0	653	120
Mr. Julián Díaz González	21	20	0	0	0	0	0	0	41	70
Ms. Ángela Spindler	21	24	0	0	0	0	0	0	45	98
Ms. María Garaña Corces	21	23	0	0	0	0	0	0	44	98
Mr. Miguel Ángel Iglesias Peinado	9	10	0	58	0	0	0	0	77	0.46
Mr. Christian Couvreur	83	11	0	0	0	0	0	0	94	0
Mr. José Wahnnon Levy	77	17	0	0	0	0	0	0	94	0
Mr. Jaime García-Legaz Ponce	113	42	0	0	0	0	0	0	155	0
Mr. Karl-Heinz Holland	0	0	0	1,842	0	0	0	0	1,842	59
Mr. Michael Joseph Casey	0	0	0	0	0	0	0	0	0	0
Mr. Sergio Ferreiro Dias	0	0	0	0	0	0	0	0	0	24
Mr. Stephan Ducharme	0	0	0	0	0	0	0	0	0	67

Observations

The table shows the sum of remuneration earned in fiscal year 2019 under the previous and the current Remuneration Policies, by the directors that have had that status in fiscal year 2019, both in their capacity as such and in the performance of their executive functions, bearing in mind their period of provision of services as directors at the Company.

The amount indicated in the FIXED REMUNERATION column comprises the sum of: (i) 50% of the fixed remuneration of the directors in their capacity as such (which includes the additional remuneration for membership on committees) earned from January 1, 2019 to August 31, 2019 under the Previous Remuneration Policy, along with the amount in cash equal to the shares sold to cover the payment on account of personal income tax derived from the delivery of the shares, which is borne by the director, plus (ii) the amount of the fixed remuneration in cash (which includes the additional remuneration for membership on committees) earned by the directors in their capacity as such from September 1 to December 31, 2019, under the current Remuneration Policy.

The amount indicated in the ATTENDANCE FEES column comprises the per diems of the directors in their capacity as such, earned from January 1, 2019 to August 31, 2019, under the Previous Remuneration Policy.

The amount indicated in the SALARY column comprises the amount of fixed remuneration in cash earned by the directors that have performed executive functions in 2019 under the Previous Remuneration Policy and under the current one.

The amount indicated in the SEVERANCE PAY column comprises the compensation for the post-contractual non-compete undertaking accrued and paid to Mr. Borja de la Cierva in 2019, indicated in section B.10. It does not include the amounts of compensation for the post-contractual non-compete undertaking paid to executive directors terminated before January 1, 2019 (Mr. Antonio Coto) or those that do not derive from the termination as director (Mr. Miguel Angel Iglesias).

ii) Table of movements of share-based remuneration systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of fiscal year t		Financial instruments granted during fiscal year t		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of fiscal year t	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/ vested shares	Price of vested shares	Gross profit on the vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
Mr. Richard Golding	50% fixed share-based remuneration	0	0	22,049	22,049	22,049	22,049	0.1070	2	0	0	0
Mr. Mariano Martin Mampaso	50% fixed share-based remuneration	0	0	28,237	28,237	28,237	28,237	0.1070	3	0	0	0
Mr. Antonio Urcelay Alonso	50% fixed share-based remuneration	0	0	22,049	22,049	22,059	22,059	0.1070	2	0	0	0
Mr. Borja de la Cierva Álvarez de Sotomayor	50% fixed share-based remuneration	0	0	16,920	16,920	16,920	16,920	0.1070	2	0	0	0
Mr. Julián Díaz González	50% fixed share-based remuneration	0	0	25,781	25,781	25,781	25,781	0.1070	3	0	0	0
Ms. Angela Spindler	50% fixed share-based remuneration	0	0	27,477	27,477	27,477	27,477	0.1070	3	0	0	0
Ms. María Garaña Corces	50% fixed share-based remuneration	0	0	22,049	22,049	22,049	22,049	0.1070	2	0	0	0
Mr. Miguel Ángel Iglesias Peinado	50% fixed share-based remuneration	0	0	9,479	9,479	9,479	9,479	0.1070	1	0	0	0

Mr. Christian Couvreur	50% fixed share-based remuneration	0	0	21,748	21,748	21,748	21,748	0.1070	2	0	0	0
	Deferred remuneration in shares	0	0	1,034,864	1,034,864	0	0	0	0	0	1,034,864	1,034,864
Mr. José Wahnon Levy	50% fixed share-based remuneration	0	0	17,804	17,804	17,804	17,804	0.1070	2	0	0	0
	Deferred remuneration in shares	0	0	1,034,864	1,034,864	0	0	0	0	0	1,034,864	1,034,864
Mr. Jaime García-Legaz Ponce	50% fixed share-based remuneration	0	0	40,717	40,717	40,717	40,717	0.1070	4	0	0	0
	Deferred remuneration in shares	0	0	1,034,864	1,034,864	0	0	0	0	0	1,034,864	1,034,864

Observations

The FINANCIAL INSTRUMENTS AT START OF YEAR column does not include any number of shares given that, according to the view sustained by the CNMV in its official request regarding the annual report on remuneration of directors of 2018, the net shares delivered to the directors in their capacity as such, under the Previous Remuneration Policy, equal to 50% of their fixed remuneration, which are not granted and vested in the same fiscal year, due to not being subject to any condition, should not be indicated in this column.

The FINANCIAL INSTRUMENTS GRANTED DURING FISCAL YEAR T column includes: (i) the net shares delivered by the Company to the directors in 2019, equal to 50% of the fixed remuneration of the directors in their capacity as such accrued from January 1, 2019 to August 31, 2019 under the Previous Remuneration Policy, and (ii) the number of shares assigned to the non-nominee non-executive directors as deferred share-based remuneration under the current Remuneration Policy. These shares are not vested until the end of the directors' term of office.

The VESTED FINANCIAL INSTRUMENTS IN THE FISCAL YEAR column includes the net shares delivered to the directors in their capacity as such, equal to 50% of their fixed remuneration, which, under the Previous Remuneration Policy, are granted and vested in the same fiscal year, due to not being subject to any condition.

The FINANCIAL INSTRUMENTS AT THE END OF FISCAL YEAR T column includes the number of shares allocated to the non-nominee non-executive directors as deferred remuneration in shares under the current Remuneration Policy, given that, according to the view sustained by the CNMV in its official request relating to the annual report on directors remuneration of 2018, the shares have not yet vested.

iii) Long-term savings systems

During fiscal year 2019, DIA has not made any contribution to long-term savings plans of which its directors are beneficiaries.

iv) Detail of other items

This section includes the remuneration in kind accrued in 2019, detailed in section B.14, the aggregated amount of which is as follows, in thousand euros:

Director	Total (€k)
Mr. Borja de la Cierva Álvarez de Sotomayor	6
Mr. Miguel Ángel Iglesias Peinado	3
Mr. Karl-Heinz Holland	18
Total	27

b) Remuneration corresponding to company directors for membership on the boards of other group companies:

The directors of DIA have not earned any amounts for belonging to Boards at other group companies.

c) Summary of remuneration (€k):

The summary should include the amounts relating to all the remuneration items included in this report that have accrued in favor of the directors, in thousands of euros.

Name	Remuneration earned at the Company					Remuneration earned at Group companies				
	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Total fiscal year t Company	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Total fiscal year t Group
Mr. Richard Golding	48	2	0	0	50	0	0	0	0	0
Mr. Mariano Martín Mampaso	51	3	0	0	54	0	0	0	0	0
Mr. Antonio Urcelay Alonso	48	2	0	0	50	0	0	0	0	0
Mr. Borja de la Cierva Álvarez de Sotomayor	653	2	0	6	661	0	0	0	0	0
Mr. Julián Díaz González	41	3	0	0	44	0	0	0	0	0
Ms. Angela Spindler	45	3	0	0	48	0	0	0	0	0
Ms. María Garaña Corces	44	2	0	0	46	0	0	0	0	0
Mr. Miguel Ángel Iglesias Peinado	77	1	0	3	81	0	0	0	0	0
Mr. Christian Couvreur	94	2	0	0	96	0	0	0	0	0
Mr. José Wahnou Levy	94	2	0	0	96	0	0	0	0	0
Mr. Jaime García-Legaz Ponce	155	4	0	0	159	0	0	0	0	0

Name	Remuneration earned at the Company					Remuneration earned at Group companies				
	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Total fiscal year t Company	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Total fiscal year t Group
Mr. Karl-Heinz Holland	1,842	0	0	18	1,860	0	0	0	0	0
Mr. Michael Joseph Casey	0	0	0	0	0	0	0	0	0	0
Mr. Sergio Ferreiro Dias	0	0	0	0	0	0	0	0	0	0
Mr. Stephan Ducharme	0	0	0	0	0	0	0	0	0	0
Total	3,192	26	0	27	3,245	0	0	0	0	0

Observations

D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' remuneration that have not been addressed elsewhere in this report and which are necessary to provide a more comprehensive and reasoned view of the remuneration structure and practices of the company, provide a brief explanation.

* * *

This Annual Report on Remuneration of directors has been approved by the Board of Directors of the Company at its meeting held on March 25, 2020.

Indicate whether there are any directors who voted against or abstained from voting to approve this Report.

YES NO

Name or corporate name of Board members that did not vote in favor of approving this report	Reason (against, abstained, absence)	Explain the reasons