

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

ISSUER'S IDENTIFICATION DATA

YEAR ENDED: 31/12/2012

C.I.F. (Tax ID No.): A28164754

Company: DISTRIBUIDORA INTERNACIONAL DE ALIMENTACION, S.A.

ANNUAL CORPORATE GOVERNANCE REPORT FORM FOR LISTED COMPANIES

For a better understanding of this template and in order to complete the information correctly, please read the instructions at the end of this report.

A - OWNERSHIP STRUCTURE

A.1 Please complete the table below with details of the share capital of the Company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
25/03/2011	67,933,600.00	679,336,000	679,336,000

Please specify whether there are different classes of shares with different associated rights:

NO

A.2 Please provide details of the Company's significant direct and indirect shareholders at year end, excluding any board members:

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Percentage of total voting rights
BLUE CAPITAL S.A.R.L.	64,047,813	0	9.428
BAILLIE GIFFORD CO	0	20,402,234	3.003

Please specify the main movements in the shareholding structure during the year:

A.3 Please complete the following tables with details of board members with voting rights in the Company:

Name of board member	Number of direct voting rights	Number of indirect voting rights (%)	Percentage of total voting rights
MS. ANA MARÍA LLOPIS RIVAS	27,447	0	0.004
MR. MARIANO MARTÍN MAMPASO	20,725	0	0.003
MR. RICARDO CURRÁS DE DON PABLOS	23,707	0	0.003
MR. ANTONIO URCELAY ALONSO	13,725	0	0.002
MR. JULIÁN DÍAZ GONZÁLEZ	23,562	0	0.003
MR. NADRA MOUSSALEM	21,318	0	0.003
MR. NICOLAS BRUNEL	20,725	0	0.003
MR. PIERRE CUILLERET	22,376	0	0.003
MR. RICHARD GOLDING	17,384	0	0.003
MS. ROSALÍA PORTELA DE PABLO	26,921	0	0.004

Percentage of voting rights held by the board of directors	0.032
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Please complete the following tables with details of the Company's board members who hold rights over the shares of the Company:

A.4 If applicable, please specify any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the Company, unless they are insignificant or arise in the ordinary course of business.

A.5 If applicable, please specify any commercial, contractual or corporate relationships that exist between significant shareholders and the Company and/or Group, unless they are insignificant or arise in the ordinary course of business.

A.6 Please specify whether the Company has been notified of any shareholder agreements that may affect it, in accordance with section 112 of the Spanish Securities Market Law. If so, please describe these agreements and list the shareholders they bind:

NO

Please specify whether the Company is aware of any convened action agreed by and among its shareholders. If so, please provide a brief description:

YES

Percentage share capital affected:

9.428

Brief description of the agreed initiative:

Groupe Arnault, S.A.S., Colony Blue Investor, S.A.R.L. and Blue Capital, S.A.R.L. exercise their voting rights in DIA by virtue of a joint verbal action. Blue Capital, S.A.R.L. owns 64,047,813 DIA shares and Colony Blue Investor, S.A.R.L. owns 1 DIA share. Colony Investors VIII, L.P. owns 75% of C8 Blue Holding, LLC, which in turn owns: (i) 50% of Blue Partners, S.A.R.L., which in turn owns 50% of Blue Capital S.A.R.L., and (ii) 100% of Colony Blue Investor S.A.R.L. Colyzeo Investors II, L.P. owns 100% of Cz2 Blue S.A.R.L., which in turn owns 50% of Blue Partners, S.A.R.L., which in turn owns 50% of Blue Capital S.A.R.L.

Groupe Arnault, S.A.S. is the indirect owner of 95% of Cervinia S.A. (a Belgian company) which in turn owns 50% of Blue Capital, S.A.R.L.

Parties involved in agreed initiatives
COLYZEO INVESTORS II, L.P.
COLONY INVESTORS VIII LP
BLUE CAPITAL S.A.R.L.
COLONY BLUE INVESTORS S.Á.R.L.
GRUPE ARNAULT SAS

If any of the aforementioned agreements or convened action have been amended or terminated during the year, please specify expressly:

Distribuidora Internacional de Alimentación, S.A. (the Company or DIA) is not aware of any change or cancellation of the aforementioned agreed initiative during 2012.

A.7 Please specify whether any individual or company exercises or may exercise control over the Company, in accordance with section 4 of the Spanish Securities Market Law. If so, please provide details:

NO

A.8 Please complete the following tables with details of the Company's own shares:

At year end:

Number of direct shares	Number of indirect shares (*)	Percentage of total share capital
20,178,722	13,586,720	4.970

(*) Through:

Name of direct shareholder	Number of direct shares
SOCIÉTÉ GÉNÉRALE	13,586,720

Total	13,586,720
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Please detail any significant changes during the year pursuant to Royal Decree 1362/2007:

Date of announcement	Total direct shares acquired	Total indirect shares acquired	Percentage of total share capital
12/01/2012	13,586,720	7,392,468	3.088
20/06/2012	14,183,073	13,586,720	4.088

Gains/(losses) from disposal of own shares during the year (thousands of Euros)	148
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A.9 Please provide a detailed description of the conditions and term of the board of directors' current mandate, granted by the shareholders, to acquire or transfer own shares.

The Sole Shareholder at the meeting on 9 May 2011, agreed to authorise the board of directors to perform derivative acquisitions of the Company's own shares, under the terms transcribed verbatim below:

Express authorisation for the board of directors, with express powers of delegation, pursuant to article 146 of the Spanish Corporate Entities Act, to perform derivative acquisitions of the Company's own shares under the following terms:

- (a) Acquisitions may be performed directly by the Company or indirectly through its subsidiaries, under the described terms.
- (b) Acquisitions must take the form of a sale-purchase, an exchange or any other lawful transaction. (c) Acquisitions may be made up to the maximum amount permitted by law.
- (d) Acquisitions can be made at any price with supporting documentation although once the Company shares are listed, acquisitions may not be made above the listed share price.
- (e) The above-mentioned authorisation is given for a maximum period of five (5) years from the date the agreement in which it is given came into force.

It was expressly stated that shares acquired as a result of this authorisation could be transferred directly to the Company's workers or directors, or transferred as a result of the exercise of options held by the Company's workers or directors, in accordance with paragraph three, section 1 a) of article 146 of the Corporate Enterprises Act.

Article 31.4 (f) of DIA's by-laws states that the board of directors may not delegate the task of establishing or defining the Company's own shares policy under the authorisations provided at the general meeting.

A.10 If applicable, please specify any legal and statutory limitations to the exercise of voting rights, as well as any legal limitations to the acquisition or transfer of ownership of shares. Please specify whether there are any legal limitations on the exercise of voting rights:

NO

Maximum percentage of voting rights that may be exercised by a shareholder under legal limitations	0
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Please specify whether there are any statutory limitations on the exercise of voting rights:

NO

Maximum percentage of voting rights that may be exercised by a shareholder under statutory limitations	0
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Please specify whether there are any legal limitations on the acquisition or transfer of equity interests:

NO

A.11 Please specify whether, pursuant to the provisions of Law 6/2007, shareholders at the General Meeting have resolved to adopt measures to neutralise a take-over bid:

NO

If so, please explain the approved measures and the terms under which limitations would cease to apply:

B – COMPANY GOVERNING BODY STRUCTURE

B.1 Board of directors

B.1.1 Please detail the maximum and minimum number of board members established in the by-laws:

Maximum number of board members	15
Minimum number of board members	5

B.1.2 Please complete the following table with details of board members:

Name of member	Representative	Position on the board	Date of first appointment	Date of most recent appointment	Election procedure
MS. ANA MARÍA LLOPIS RIVAS	--	CHAIRWOMAN	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING
MR. MARIANO MARTÍN MAMPASO	--	DEPUTY CHAIRMAN	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING
MR. RICARDO CURRÁS DE DON PABLOS	--	CEO	28/06/2000	24/06/2010	VOTE AT SHAREHOLDERS' MEETING
MR. ANTONIO URCELAY ALONSO	--	BOARD MEMBER	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING
MR. JULIÁN DÍAZ GONZÁLEZ	--	BOARD MEMBER	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING
MR. NADRA MOUSSALEM	--	BOARD MEMBER	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING

Name of board member	Representative	Position on the board	Date of first appointment	Date of most recent appointment	Election procedure
MR. NICOLAS BRUNEL	--	BOARD MEMBER	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING
MR. PIERRE CUIILLER	--	BOARD MEMBER	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING
MR. RICHARD GOLDING	--	BOARD MEMBER	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING
MS. ROSALÍA PORTELA DE PABLO	--	BOARD MEMBER	05/07/2011	05/07/2011	VOTE AT SHAREHOLDERS' MEETING

Total number of board members	10
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Please specify any resignations from the board of directors during the period:

B.1.3 Please complete the following tables with details of the board members and their different capacities:

EXECUTIVE BOARD MEMBERS

Name of director	Committee that proposed appointment	Position in the Company
MR. RICARDO CURRÁS DE DON PABLOS	APPOINTMENTS AND REMUNERATION COMMITTEE	CEO

Total number of executive board members	1
Total percentage of board	10.000

PROPRIETARY EXTERNAL MEMBERS

Name of director	Committee that proposed appointment	Name of significant shareholder represented by the member, or who proposed the appointment
MR. NADRA MOUSSALEM	Appointments and Remuneration Committee	BLUE CAPITAL S.A.R.L.
MR. NICOLAS BRUNEL	Appointments and Remuneration Committee	BLUE CAPITAL S.A.R.L.

Total number of proprietary directors	2
Total percentage of board	20.000

INDEPENDENT EXTERNAL MEMBERS

Name of director

MR. MARIANO MARTÍN MAMPASO

Profile

Mr. Mampaso has a degree in Economics. He joined Procter & Gamble in 1976, where he remained for 33 years, until his retirement as global chairman for the company's sales, in June 2009. He is a member of the board of directors of AECOC, of the management board of GS1 US and of the executive board of the Global Commerce Initiative

Name of director

MR. ANTONIO URCELAY ALONSO

Profile

A graduate in Law from Universidad Complutense de Madrid (1984), he worked in the marketing department of Procter & Gamble, was General Manager of Ahold Spain, served in the law firm J y B Cremades, and was General Manager of the supermarket chain Digma S. A. and later Leche Pascual, S. A. In 1996 he joined Toys R Us Europe, of which he is currently chairman, with responsibility for its operations in France, Germany, Spain, United Kingdom, Austria, Portugal, Poland and Switzerland, and is a member of the Executive Committee of Toys R Us Inc. In addition, he is a member of the board of directors of AECOC, an association of manufacturers and distributors.

Name of director

MR. JULIÁN DÍAZ GONZÁLEZ

Profile

Mr. Diaz has a degree in Business Administration from Universidad Pontificia de Comillas-ICADE. After holding the positions of General Manager in TNT Leisure, S. A., General Manager of the Airport Division of Aldeasa, General Manager of Aeroboutiques de Mexico S.A. de CV and General Manager of Deor S. A. de CV, he joined Latinoamericana Duty-Free, S.A. de CV. Since 2004, he has been chief executive officer of Dufry AG. In addition, he is a member of the board of directors of Dufry International AG, Duty Free Caribbean Holdings and Chairman of the Group Executive Committee of Dufry AG.

Name of director

MR. PIERRE CUILLERET

Profile

Mr. Cuillert is a graduate of HEC Paris. He also studied at the University of California at Berkeley. After a period with the Bouygues group in the United Kingdom and in Gemini Consulting in France, he founded The Phone House in 1996. In 2000 he became CEO of the insurance group of the Carphone Warehouse Group plc. Since August 2005 he has occupied the position of CEO of Micromanía. In 2011 he was appointed Senior Vice Chairman of Gamestop.

Name of director

MR. RICHARD GOLDING

Profile

Mr. Golding has a degree in Business Administration from London Thames University. In his professional career, he has occupied the following positions, among others: director of marketing for the Cadbury Schweppes group, CEO of Aspro Leisure, CEO of Dorna Sports Promotion, CEO of Two Wheel Promotion, Chairman for the tobacco business and part of the food business of RJR Nabisco for Spain, Portugal, Italy, France, Andorra and the UK. He is currently Executive Chairman and member of the board of directors of the Parques Reunidos group.

Name of director

MS. ROSALÍA PORTELA DE PABLO

Profile

Ms. Portela has a degree in Economics from Universidad Complutense de Madrid and a Master's Degree in Economics from the University of Memphis. After a long period at Procter & Gamble, she worked in Repsol, Kimberly Clark and Telefónica. She then moved to ONO, where she currently holds the position of CEO. She has wide experience in the consumer goods, food retail and telecommunications sectors.

Total number of independent directors	6
Total percentage of board	60.000

OTHER EXTERNAL DIRECTORS

Name of director	Committee that proposed appointment
MS. ANA MARÍA LLOPIS RIVAS	APPOINTMENTS AND REMUNERATION COMMITTEE

Total number of other external board members	1
Total percentage of board	10.000

Please explain why these directors may not be considered proprietary or independent members, and what their connection is with the Company, its management or its shareholders.

Name of member

MS. ANA MARÍA LLOPIS RIVAS

Related company, director or shareholder

SOCIÉTÉ GÉNÉRALE

Reason

On 24 May 2011, the General Shareholders' Meeting of Société Générale appointed Ms. Ana María Llopis as an independent member of the board of directors of this Company for a period of four years.

On 20 June 2011, Société Générale communicated a holding of 53,443,661 shares (the sum of shares and other financial instruments, in accordance with French legislation), representing 7.87% of the share capital of Carrefour Société Anonyme that entitled them to the same holding in DIA after the receipt by Carrefour shareholders of a non-monetary dividend consisting of DIA shares. Société Générale has not communicated any significant shareholding in DIA to the Spanish Securities Market Commission (CNMV), potentially implying that it reduced or sold that shareholding after DIA was listed. Additionally Société Générale has had business relations with DIA during 2012 (part of a syndicated loan, counterparty to derivatives on DIA shares, etc).

As a consequence of the foregoing Ms. Ana María Llopis is considered to be another external director due to her role as an independent board member for Société Générale and because Société Générale held a significant interest in DIA and currently has a business relationship with the Company.

Please specify any variations that have occurred during the year to membership types:

B.1.4 If applicable, please explain the reasons for the appointment of any proprietary board members at the request of shareholders with less than 5% of share capital.

Please indicate whether the board has failed to accept any formal requests to appoint members to the board by shareholders whose share percentage is equivalent to or greater than that of others at whose request proprietary board members have been appointed. If this is the case, please explain why the aforementioned requests were not accepted.

NO

B.1.5 Please specify whether any members have resigned from the board before the expiry of their tenure, whether the resigning member provided an explanation for his or her resignation and by what means and, if these reasons were set out in a letter sent to all the members of the board, specify the reasons given:

NO

B.1.6 Please specify any powers vested in the chief executive officer(s):

Name of board member

MR. RICARDO CURRÁS DE DON PABLOS

Brief description

Mr. Ricardo Curras de Don Pablos - chief executive officer:

The CEO is granted all the powers that can be delegated in accordance with the Law, the Company's by-laws and the board regulations, pursuant to the resolution of the board of directors of 5 July 2011 which was executed in a public deed on 29 July 2011.

B.1.7 Please identify any board members who hold positions as directors or officers in other companies in the group of which the listed company is parent:

Name of board member	Name of Group company	Position
MR. RICARDO CURRÁS DE DON PABLOS	DIA SABANCI SUPERMARKETLERI TICARET ANOMIN SIRKETI	Board member
MR. RICARDO CURRÁS DE DON PABLOS	FINANDIA. E.F.C. S.A.U.	Board member

B.1.8 Please detail any directors who have notified the Company of their membership of the boards of directors of other companies (other than Group companies) listed on official securities markets in Spain:

B.1.9 Please specify whether the Company has established rules concerning the number of boards on which its directors can hold seats, providing details if applicable:

YES

Explanation of the rules
Pursuant to article 18.5 of the board regulations, directors may not be appointed if, in addition to the board of the Company, they are members of more than six (6) boards of directors of commercial companies. For these purposes, boards of which a director is a member as a proprietary director proposed by the Company or by any company in its group, and those not involving actually engaging in a commercial business, shall not be taken into account.

B.1.10 In relation to recommendation number 8 of the Unified Code, please indicate the general policies and strategies of the Company reserved for approval by the board at its plenary sessions:

Investment and financing policy	YES
Definition of group structure	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plan, annual management goals and budget	YES
Senior management remuneration policy and performance evaluation	YES

Risk control and management policy, as well as regular monitoring of internal reporting and control systems	YES
Policy on dividends and own shares portfolio, particularly the limits thereof	YES

B.1.11 Please complete the following tables with details of the aggregate remuneration accrued by board members during the year:

a) In the Company subject to this report:

Remuneration item	Amount in thousands of Euros
Fixed remuneration	890
Variable remuneration	342
Allowances	0
Statutory benefits	0
Share options and/or other financial instruments	519
Other	5

Total	1,756
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Other benefits	Amount in thousands of Euros
Advances	0
Loans extended	0
Pension funds and plans: contributions	0
Pension funds and plans: obligations undertaken	0
Life insurance premiums	1
Guarantees extended by the Company on behalf of board members	0

b) On account of membership of the boards of directors and/or holding senior management positions in other Group companies:

Remuneration item	Amount In thousands of Euros
Fixed remuneration	0
Variable remuneration	0
Allowances	0
Statutory benefits	0
Share options and/or other financial instruments	0
Other	0

Total	0
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Other benefits	Amount In thousands of Euros
Advances	0
Loans extended	0
Pension funds and plans: contributions	0
Pension funds and plans: obligations undertaken	0
Life insurance premiums	0
Guarantees extended by the Company on behalf of board members	0

c) Total remuneration by type of director:

Type of director	From the Company	From the Group
Executive members	792	0
Proprietary external members	213	0
Independent external members	595	0
Other external members	156	0
Total	1,756	0

d) Remuneration linked to parent company profits:

Total remuneration of directors (in thousands of Euros)	1,756
Total remuneration of directors as a percentage of profit attributable to the parent company	1.1

B.1.12 Please identify senior officers who are not executive board members, and total remuneration accrued during the year:

Name	Position
MR. DIEGO CAVESTANY DE DALMASES	Operational Executive Officer DIA Spain
MR. ANTONIO COTO GUTIÉRREZ	Executive Officer for America and Partnership
MR. JUAN CUBILLO JORDÁN DE URRIES	Commercial and Merchandise Director DIA Group
MR. JAVIER LA CALLE VILLALÓN	Executive Officer for Portugal, Turkey and China
MR. BRUNO PERTRIAUX	Executive Officer for France
MR. AMANDO SÁNCHEZ FALCÓN	Chief Corporate Officer
MS. CONCEPCIÓN BRAVO CABANILLAS	Human Resources Officer DIA Group
MS. ISABEL FERNÁNDEZ DE CÓRDOBA MONCADA	Internal Audit Director
MR. IGNACIO GOSÁLBEZ QUINTANA	Organization and Systems Director DIA Group

Total senior management remuneration (in thousands of Euros)	3,527
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B.1.13 Please identify the total amount of any indemnities or golden parachute clauses for situations of dismissal or change of control set forth in the contracts of senior management of the Company or Group, including executive board members. Please specify whether the governing bodies of the Company or Group must be notified of and/or approve these agreements:

Number of beneficiaries	2
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	Board of directors	Annual General Meeting
Body authorising the clauses	YES	NO

Are the shareholders notified of the clauses at their General Meeting?	YES
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B.1.14 Please explain the process followed to establish remuneration for directors and the relevant clauses in the by-laws.

Process to determine remuneration of directors and relevant clauses in the by-laws
<p>Pursuant to Article 39 of the Company's by-laws:</p> <ol style="list-style-type: none"> 1. The directors' remuneration shall consist of a fixed monthly component and expenses for attending meetings of the board of directors and its committees. The maximum remuneration to be paid by the Company to its directors in these categories shall be the amount determined for that purpose by the shareholders at their general meeting, which shall remain in effect until an amending resolution is adopted. 2. The board of directors, within the maximum period set by the shareholders at their general meeting each financial year shall set the specific amount to be received by each of the directors, which may vary based on: <ol style="list-style-type: none"> (a) the director's membership of a delegated body of the board; (b) the positions the director occupies therein or, in general, (c) the director's dedication to administration tasks or service to the Company. 3. The remuneration established in the preceding sections, deriving from membership on the board of directors, shall be compatible with and independent of such other professional or employment remuneration as may correspond to the directors for the performance of management work or for advice other than the group supervision and decision making inherent in their capacities as directors, which shall be subject to the applicable legal scheme. 4. Internal directors may be remunerated by award of shares in the Company or another group company to which they belong, options thereon or instruments indexed to their price. All other directors may be remunerated by award of shares, provided they are obliged to retain them until the end of their tenure. When dealing with shares in the Company or share-based instruments, the remuneration must be set by the shareholders at their general meeting. The resolution, if applicable, shall state the number of shares to be awarded, the exercise price of the option, the value of the shares taken as a reference and the term of this form of remuneration. 5. Directors' remuneration shall be disclosed at an individual level in the notes to the annual accounts. 6. Together with the annual corporate governance report, the board of directors must prepare and distribute an annual report on directors' remuneration, which shall include complete, clear and comprehensible information regarding the Company's remuneration policy, approved by the board for the current year with reference, as the case may be, to the policy planned for future years. It shall also include a global summary of how the remuneration policy was applied during the financial year, and details of the individual remuneration accrued by each of the directors. This report is to be distributed and submitted to vote on a consultative basis, as a separate point of the agenda, at the ordinary general meeting. 7. The Company shall encourage all shareholders and, in particular, institutional shareholders to attend general meetings and prudently exercise their votes therein when dealing with directors' remuneration. <p>In addition, article 32 of the board regulations states that:</p>

Process to determine remuneration of directors and relevant clauses in the by-laws

1. The directors' remuneration shall consist of a fixed monthly component and expenses for attending meetings of the board of directors and its committees. The maximum remuneration to be paid by the Company to its directors in these categories shall be the amount determined for that purpose by the shareholders at their general meeting, which shall remain in effect until an amending resolution is adopted.

2. The board of directors, within the maximum period set by the shareholders at their general meeting each financial year shall set the specific amount to be received by each of the directors, which may vary based on:

(a) the director's membership of a delegated body of the board; (b) the positions the director occupies therein or, in general,

(c) the director's dedication to administration tasks or service to the Company.

3. The board shall ensure that remuneration is reasonable and consistent with remuneration paid in the market as regards companies of similar size and activity.

4. The remuneration deriving from membership on the board of directors, shall be compatible with and independent of such other professional or employment remuneration as may correspond to the directors for the performance of management work or for advice other than the group supervision and decision making inherent in their capacities as directors, which shall be subject to the applicable legal scheme.

5. Internal directors may be remunerated by award of shares in the Company or another group company to which they belong, share options or share-based instruments.

When dealing with shares in the Company or share-based instruments, the remuneration must be set by the shareholders at their general meeting. The resolution, if applicable, shall state the number of shares to be awarded, the exercise price of the option, the value of the shares taken as a reference and the term of this form of remuneration.

Ownership of shares and the ability to exercise stock options and rights of acquisitions of shares or remuneration based on changes in the prices thereof shall be subject to predetermined and measurable performance criteria.

Ownership of shares may not be effective, nor may rights be exercised, until a minimum term of two (2) years has elapsed after the award thereof.

Once full ownership of shares is acquired, the directors must retain a minimum number until the end of their terms in office, if applicable subject to the need to finance costs related to acquisition of those shares. In this regard, the number of shares retained must be equal to two times the value of total annual remuneration.

6. Remuneration of internal directors may also include variable remuneration tied to profitability of the Company or pension schemes.

The fixed element of remuneration must be sufficient for the Company to retain the variable components if the director does not meet the performance criteria that have been established.

Any possible variable remuneration must bear a relationship to the professional performance of the beneficiaries, and must not derive simply from a general trend in the markets or the company's business sector, or other similar circumstances. Specifically, the variable components of remuneration must:

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

(b) promote the long-term sustainability of the Company, including non-financial criteria, such as compliance with standards and procedures, that are appropriate to the creation of long-term value in the Company;

(c) when paid, a significant part be deferred for a minimum period of time, in order to determine whether the established performance conditions have been satisfied;

(d) have the part of the remuneration subject to the deferred payment determined based on the relative weight of the variable component by comparison with the fixed component of remuneration; and

(e) regarding contractual arrangements entered into with directors, include a clause allowing the Company to claim repayment of the variable components of remuneration when the payment is not in accordance with those performance conditions, or when the remuneration has been paid based on information which is later demonstrated to be inaccurate.

7. Payments for termination of contract shall not exceed an established amount equivalent to two years of fixed annual remuneration, and shall not be paid when termination of the contract is based on inadequate performance.

8. The board shall adopt all measures available to it to ensure that external directors' remuneration, including the part, if any, they receive as members of committees, is in accordance with the following criteria:

Process to determine remuneration of directors and relevant clauses in the by-laws

- (a) an external director shall be remunerated based on actual time commitment, qualification and responsibility;
- (b) the amount of an external director's remuneration should be calculated in a manner that offers incentives for the director's commitment, but does not constitute an obstacle to the independence thereof; and
- (c) an external director must be excluded from remuneration by way of delivery of shares, stock options or share-based instruments, as well as the pension schemes financed by the Company for cases of dismissal, death or otherwise. This limitation does not apply to share-based payments, provided that external directors are obliged to retain the shares until expiry of their tenure.

9. Directors shall be entitled to payment of their justified travel expenses incurred to attend meetings of the board of directors or its committees.

10. The Company may secure civil liability insurance for its directors.

11. The remuneration of external directors and internal directors shall be disclosed in the notes to the annual accounts, broken down by each director.

12. Together with the annual corporate governance report, the board of directors must prepare and distribute an annual report on directors' remuneration, which shall include complete, clear and comprehensible information regarding the Company's remuneration policy, approved by the board for the current year with reference, as the case may be, to the policy planned for future years. It shall also include a global summary of how the remuneration policy was applied during the financial year, and details of the individual remuneration accrued by each of the directors.

This report shall be distributed and submitted to vote on a consultative basis, as a separate point of the agenda, at the ordinary general meeting.

13. The Company shall encourage all shareholders and, in particular, institutional shareholders to attend general meetings and prudently exercise their votes therein when dealing with directors' remuneration.

Please specify whether board plenary has reserved approval of the following decisions:

On proposal by the first executive of the Company, the appointment and possible removal of senior management, as well as their indemnity clauses.	YES
Remuneration of board members, as well as, in the case of executive members, additional remuneration for executive functions and any other conditions included in their contracts.	YES

B.1.15 Please specify whether the board of directors approves a detailed remuneration policy, and specify the matters covered:

YES

Fixed amounts, with their breakdown if applicable, paid for participation in the board and its committees, and estimate of annual fixed remuneration, as applicable.	YES
Variable remuneration items	YES
Main characteristics of benefits, estimated amount thereof or equivalent annual cost.	YES
Conditions to be included in the contracts of directors who hold senior management positions as executive members.	YES

B.1.16 Please specify whether the board presents a report (for consultation purposes) on the policy for remuneration of board members to the shareholders to vote on as a separate item on the agenda at their General Meeting. If so, please explain the aspects of the report related to the remuneration policy approved by the board for future years, the most significant changes in these policies compared to the policy applied during the year and a global summary of how the remuneration policy was applied during the year. Please detail the role played by the Remuneration Committee, specify whether external advisory services were used and, if so, identify the external advisors consulted:

YES

Issues considered in the remuneration policy
See section B.1.15

Role of the Remuneration Committee	
<p>Pursuant to Article 38 of the board regulations, without prejudice to such other tasks as may be assigned to it by the board of directors, the Appointments and Remuneration Committee in any event shall have the following authority:</p> <p>(a) evaluating the skills, knowledge, experience and level of dedication required of members of the board of directors;</p> <p>(b) making proposals to the board of directors of independent directors to be appointed by co-option or, if applicable, for submission to decision by the general meeting, and proposals for re-election and dismissal of those directors by the Company;</p> <p>(c) reporting on proposals of the board of directors for appointment of other directors to be appointed by co-option or, if applicable, for submission to decision by the general shareholders meeting, and proposals for re-election and dismissal of those directors by the general meeting;</p> <p>(d) Reporting on any appointments or dismissals of senior management personnel proposed by the first executive to the board;</p> <p>(e) reporting to the board on matters of gender diversity and, in particular, ensuring that procedures for selection of directors and senior managers do not suffer from implicit bias preventing selection of women;</p> <p>(f) proposing to the board of directors (i) the system for and amount of annual remuneration of directors, (ii) the individual remuneration of internal directors and senior managers and the other terms of their contracts and (iii) the basic terms of contracts of senior managers;</p> <p>(g) analysing, formulating and periodically reviewing the remuneration policy applied to internal directors and the management team, including share-based remuneration schemes and the application thereof, and guaranteeing that it is proportionate to the remuneration paid to other directors and members of the management team and other personnel of the Company;</p> <p>(h) ensuring compliance with the remuneration policy established by the Company;</p> <p>(i) generally supervising compliance with the Company's applicable corporate governance rules;</p> <p>(j) reporting to the shareholders on performance of its duties, for this purpose attending the general meeting; and (k) assisting the board in preparation of the report on the remuneration policy for directors, and sending the board any other reports on remuneration specified in the board regulations.</p> <p>In accordance with the above, and since the board of directors of the Company is responsible for producing and distributing the annual remuneration report, and pursuant to article 32 of the Company's board regulations, the Appointments and Remuneration Committee is involved in drafting the report, providing any necessary advice.</p>	
Were external advisory services used?	YES

Identification of external consultants
Services have been contracted from the Towers Watson consultancy

B.1.17 Please identify any board members who are also board members, management personnel or employees of companies with significant interests in the listed Company and/or other Group companies:

Name of board member	Name of significant shareholder	Position
MR. NADRA MOUSSALEM	BLUE CAPITAL S.A.R.L.	Principal director of Colony Capital, a company which co-owns Blue Capital S.A.R.L.
MR. NICOLAS BRUNEL	BLUE CAPITAL S.A.R.L.	Director of LVMH/Groupe Arnault since 2002. Groupe Arnault owns 50% of Blue Capital S.A.R.L.

Please detail any relevant relationships, other than those disclosed in B.1.17 above, between members of the board of directors and significant shareholders in the Company and/or Group companies:

Name of the related board member

MS. ANA MARÍA LLOPIS RIVAS

Name of the related significant shareholder

SOCIÉTÉ GÉNÉRALE

Description of relationship

Ms. Ana María Llopis is a board member of Société Générale and holds shares in the company.

B.1.18 Please specify whether the board regulations were amended during the year:

YE
S

Description of amendments
At its meeting on 9 May 2012 the board of directors of DIA agreed to amend various articles of the board regulations to: <ul style="list-style-type: none"> (i) make the board's internal organisation more flexible; (ii) incorporate the regulatory changes introduced by Law 25/2011 of 1 August 2011 and other legislative changes; and (iii) implement technical improvements.

**B.1.19 Please specify the procedures for appointment, re-election, assessment and removal of board members
Detail the competent bodies, steps to follow and criteria applied in each procedure.**

In this regard, the board regulations state:

I. Appointment/re-election

Article 18. Appointment of directors.

1. Directors shall be appointed by the general meeting or the board of directors, in accordance with the provisions in the Spanish Corporate Entities Act and the by-laws.
2. Proposals for appointment of directors submitted by the board of directors for consideration of the general meeting and the appointment resolutions adopted by that body by virtue of the co-option authority legally attributed to it must be preceded by:
 - (a) the corresponding proposal of the Appointments and Remuneration Committee, in the case of independent directors; and
 - (b) With a prior report from the Appointments and Remuneration Committee, in the case of other board members.
3. When the board departs from the proposals of the Appointments and Remuneration Committee it must state the reasons for so acting in the minutes.
4. The Company shall provide the assistance necessary in order for the new directors to rapidly acquire sufficient knowledge of the Company, and its corporate governance rules, for that purpose being entitled to organise training programmes. Board members shall also be offered refresher programmes when circumstances so advise.
5. Directors may not be appointed if, in addition the Company, they hold directorships in more than six (6) other companies. For these purposes, boards of which a director is a member as a proprietary director proposed by the Company or by any company in its group, and those not involving actually engaging in a commercial business, shall not be taken into account.
6. The board shall ensure that the process of filling board vacancies has not implicit bias against women candidates and shall make a conscious effort to include women with the target profile among the candidates for board places.

In accordance with art. 5 of the board regulations, the board of directors assumes responsibility in all cases for submitting proposals to the shareholders at their general meeting regarding appointments, ratifications, re-elections or dismissals.

In addition, in accordance with art. 38 of the board regulations the Appointments and Remuneration Committee assumes the responsibility to: (i) Submit to the board proposals for the appointment of independent directors (either by co-option or by submitting the appointment for approval by the shareholders at their general meeting), and proposals for the re-election or dismissal of these directors by the Company; and (ii) to report on proposals made by other board members for the appointment of the remaining directors (either by co-option or by submitting the appointments for approval by the shareholders at their meeting), and proposals for the re-election or dismissal of these directors by the shareholders at their meeting.

II. Assessment

Pursuant to art. 5 of the board regulations, as part of its responsibility for corporate governance policy, once a year the board shall evaluate the quality and efficiency of the board's operation, the performance of the chairman and chief executive performance and committees, based on the reports presented. This task also forms part of the policy of compliance with corporate governance rules applicable to the Company, since by carrying it out, recommendation number 22 of the Unified Code of Good Governance is met.

In carrying out this work, the Company's board of directors has been advised by the human resources consultancy specialising in directors and senior management, Korn/Ferry. This process, which has involved evaluating the performance, quality and efficiency of the board as a collegiate body and assessing the work performed by the chief executive officer and the chairman of the board of directors, was carried out through questionnaires and individual interviews of each of the members of the board of directors. The report with Korn/Ferry's conclusions was presented to the board of directors at their meeting on 12 December 2012.

III. Dismissal and resignation

Article 21 of the board regulations governs this point.

Directors shall cease to act as such when their tenure has elapsed, when so resolved by the shareholders at their general meeting in exercise of the authority corresponding to it, or when they resign.

Directors subject to proposed dismissals shall refrain from participating in deliberations and votes which concern them.

The board of directors may only propose removal of an independent director prior to the end of the statutory term when there is just cause, found by the board of directors after a report from the Appointments and Remuneration Committee. For these purposes, just cause is breach of his or her fiduciary duties, or having been affected by any of the circumstances contemplated in section 2 of article 21 as described in section B.1.20. Dismissal may also be proposed as a result of takeover bids, mergers or other similar corporate operations resulting in a significant change in the capital structure of the Company.

Directors who give up their place before their tenure expires, through resignation or otherwise, should state the reasons in a letter to be sent to all members of the board.

B.1.20 Please specify the situations in which board members are required to resign.

Pursuant to article 21 of the board regulations, directors shall place their directorships at the disposal of the board of directors and formally tender their resignations, if the board deems it to be desirable, in the following circumstances:

- (a) when he or she is affected by any of the circumstances of disqualification or prohibition contemplated in provisions of a general nature or the by-laws;
- (b) when by reason of facts attributable to the director in his or her capacity as such there has been serious damage to the credit and reputation of the company, or he or she loses the commercial and professional repute necessary to be a director of the Company;
- (c) when he or she ceases to serve in the management positions with which, if applicable, his or her appointment as director was associated;
- (d) When he or she is put on trial for an allegedly criminal deed or is subject to disciplinary proceedings for a serious or very serious misdemeanour heard by the supervisory authorities; or
- (e) When his or her continued membership of the board may jeopardise the interests of the Company, or when the grounds on the basis of which he or she was appointed cease to be valid; in particular, when a significant shareholder sells or transfers all or part of their shareholding in the Company, thus losing their status as a significant shareholder or sufficient to justify the propriety board member appointed.

In any of the cases indicated in the preceding section, the board of directors, in light of the specific circumstances, may require that the director resign from the position and, if applicable, propose the director's dismissal to the general meeting. Without prejudice to reporting the dismissal as a relevant event to the CNMV, the board shall state the reason for the removal in the annual corporate governance report.

B.1.21 Please specify whether the first executive function in the Company is held by the member who chairs the board of directors. If so, please explain the measures taken to limit the risk of powers being held by one single person:

NO

State and, where appropriate, explain whether there are any rules in place to allow an independent director to request that a board meeting be convened, or new items included on the agenda in order to coordinate and reflect the concerns of the external board members and to guide the assessment made by the board of directors:

YES

Explanation of the rules
Article 15 of the board regulations establishes that board of directors shall meet when so requested by at least two of the independent directors, in which case it must be called by order of the chairman. The same directors shall be entitled to require the president to include certain matters in the call for any meeting of the board, without prejudice to the right of proposal corresponding to each director.

B.1.22 Are qualified majorities other than those established by law necessary for any specific decision?

YES

Please explain how resolutions are passed by the board of directors, specifying at least the minimum quorum of directors present and the majorities required for resolutions to be passed:

Description of the agreement:

Modification of the board regulations

Quorum	%
The same quorum as for any decision made by the board of directors.	50.01

Type of majority	%
Must be approved by a simple majority of board members, provided that a majority of independent directors also vote in favour.	50.01

B.1.23 Please state whether there are any specific requirements, other than those relating to board members, for appointment to chair of the board.

NO

B.1.24 Please specify whether the chairman has a casting vote:

NO

B.1.25 Please specify whether the by-laws or the board regulations establish any limit as to the age of board members:

NO

Age limit for chair	Age limit for CEO	Age limit for board member
0	0	0

B.1.26 Please specify whether the by-laws or the board regulations establish any limit to the mandate of independent members:

YES

Maximum number of years of mandate	12
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B.1.27 If the number of female members is low or zero, please explain the reasons for this situation and the steps taken to change it.

Please specify whether the Appointments and Remuneration Committee has established procedures so that the process of filling board vacancies has not implicit bias against women candidates and shall make a conscious effort to include women with the target profile among the candidates for board places.

YES

Please specify the main procedures
Article 18 of the board regulations states that the board shall ensure that the process of filling board vacancies has not implicit bias against women candidates and shall make a conscious effort to include women with the target profile among the candidates for board places.

B.1.28 Please specify whether there are any formal processes whereby members of the board of directors can vote by proxy. If so, please provide a brief explanation.

According to Article 17 of the board regulations (Meeting procedures and adoption of agreements) directors must attend meetings of the board. Consequently, absences should be kept to a bare minimum. When directors cannot attend personally they delegate their vote to another member of the board with instructions. Independent directors may only grant proxies to another independent director. Proxies may be granted by any postal, electronic or fax mechanism, provided that the identity of the director and the sense of the instructions are assured.

B.1.29 Please specify the number of meetings held by the board of directors during the year and, if applicable, the number of times that the board met without the Chairman being present:

Number of board meetings	7
Number of meetings of the board without the Chairman being present	0

Please specify the number of meetings held by the different board committees during the year:

Number of meetings of the Executive or Delegate Committee	0
Number of meetings of the Audit and Compliance Committee	6
Number of meetings of the Appointments and Remuneration Committee	3
Number of meetings of the Appointments Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30 Please specify the number of meetings held by the board of directors during the year in which some of its members were not present. For the calculation, proxies given without any specific instructions should be considered as non-attendance:

Number of member absences in the year	0
Absences as a percentage of total votes during the year	0.000

B.1.31 Please specify whether the individual and consolidated annual accounts submitted to the board for approval have been previously certified:

YES

Please identify the person/s that certified the individual and consolidated annual accounts of the Company for authorisation for issue by the board:

Name	Position held
MR. ANTONIO ARNAZ MARTÍN	Chief Financial Officer of DIA Group

B.1.32 Please explain any mechanisms established by the board of directors to prevent the individual and consolidated annual accounts prepared by the board from being submitted to the shareholders at their General Meeting with a qualified audit opinion.

Article 35 of the board regulations (Relationship with external auditors of accounts) establishes that the board of directors must endeavour to prepare the final accounts so as to avoid a qualified opinion by the auditors. However, when the board considers that it must adhere to its judgement, it must publicly explain the content and scope of the discrepancy.

In light of the above, in order to avoid the individual and consolidated accounts being submitted to the shareholders at their general meeting with a qualified auditors' report, prior to preparation, article 37 of the board regulations establishes that the Audit and Compliance Committee, among other matters, must:

(a) supervise and review the process of preparation and presentation of the regulated financial information that, in accordance with article 35 of the Securities Market Act, is to be provided by the board to the markets and their supervisory bodies, and in general ensuring compliance with the legal requirements in this area, the appropriate delimitation of the consolidated group and the proper application of generally accepted accounting principles, and reporting on proposals for changes in accounting principles and standards suggested by management;

(b) Periodically supervise and review the effectiveness of the Company's internal control procedures, internal audit and risk management systems, verifying the appropriateness and completeness thereof and proposing the hiring, appointment and replacement of those responsible therefore; proposing the budget for such services and verifying that the members of the management team take account of the conclusions and recommendations in its reports; and discussing with the Company's auditors such significant weaknesses in the internal control system as may be discovered during the course of the audit;

(c) Establish the appropriate relationships with auditors or audit companies to receive information regarding such questions as may compromise their independence, for examination by the Committee, and those of anyone else involved in the process of auditing accounts, and such other communications as may be contemplated in the legislation regarding auditing and audit standards.

The Audit and Compliance Committee shall, in any case, receive annual written confirmation from the auditors with respect to their independence from the entity or related entities (whether directly or indirectly), and information on additional services of any kind rendered to these entities by the aforementioned auditors, or by persons or entities related to them in accordance with Spanish Audit Law; and

(d) Liaise between the board of directors and the auditors, assess the results of each audit and the management team's responses to their recommendations, mediating between these whenever there are discrepancies relating to the principles and criteria applicable in the preparation of the financial statements, and examining the circumstances, if any, underlying resignation of the auditor.

B.1. 33 Is the secretary of the board a director?

NO

B.1.34 Please explain procedures for appointment and removal of the secretary of the board, specifying whether said appointment and removal are based on a report by the Appointments Committee and approved by the board in full.

Appointment and dismissal procedure
Pursuant to art. 12 of the board regulations, the board of directors shall elect a secretary, the appointment of which may be of one of its members or a person not a member of the board, with capacity to perform the functions inherent in that position. The secretary shall be appointed and, where applicable, dismissed by the board of directors, following a report by the Appointments and Remuneration Committee.

Does the Appointments Committee issue reports on appointments?	YES
Does the Appointments Committee issue reports on dismissals?	YES
Are appointments approved by the board in plenary session?	YES
Are dismissals approved by the board in plenary session?	YES

Is it the duty of the Secretary of the board to take particular care of good governance recommendations?

YES

Remarks
Pursuant to article 12 of the board regulations, the secretary is assigned functions including: (a) ensuring the formal and material legality of the board of directors' actions and the actions of its delegated bodies, and that they are in line with laws and regulations in letter and spirit, including any approved by regulatory bodies, as well as ensuring compliance with the by-laws, board regulations and AGM regulations and any other internal Company internal standards and regulations; and (b) ensuring compliance with any good corporate governance recommendations the Company has adopted.

B.1.35 Please specify any mechanisms established by the Company to ensure the independence of its auditors, financial analysts, investment banks and rating agencies.

DIA has various mechanisms in place to protect the independence of the auditors. For instance, one of the key tasks of the Audit and Compliance Committee is to protect the auditor's independence, including tasks such as:

(a) proposing to the board of directors, for submission to the general shareholders meeting, the appointment of the external auditors, as well as the conditions for hiring them, the scope of their professional assignment and, if applicable, revocation or non-renewal of the appointment;

(b) establishing the appropriate relationships with auditors or audit companies to receive information regarding such questions as may compromise their independence, for examination by the Committee, and those of anyone else involved in the process of auditing accounts, and such other communications as may be contemplated in the legislation regarding auditing and audit standards.

The Audit and Compliance Committee shall, in any case, receive annual written confirmation from the auditors with respect to their independence from the entity or related entities (whether directly or indirectly), and information on additional services of any kind rendered to these entities by the aforementioned auditors, or by persons or entities related to them in accordance with Spanish Audit Law; and

(c) prior to the auditors' report, issuing an annual report expressing an opinion on the independence of the auditors or audit companies. This report in any event must opine on the provision of services in addition to audit services, ensuring compliance with the existing rules in this regard, the limits on the concentration of the auditor's business and, in general, the other requirements designed to safeguard auditors' independence.

Additionally, Article 35 of the board regulations governs the relationship between the board of directors and the external auditor:

1. The board of directors shall establish an objective, professional and ongoing relationship with the Company's external auditor, respecting its independence to the maximum extent.
2. The relationships referred to under the preceding number shall normally be channelled through the Audit and Compliance Committee.
3. The board of directors shall publicly report the overall fees paid by the Company to the audit firm, for both audit services and other services.

The finance department coordinate the relationship with financial analysts, investment banks and rating agencies, managing requests for information and the investments of institutional and individual investors, based on the principles of transparency, non-discrimination, veracity and reliability of the information provided. In order to apply these principles, in strict compliance with regulations of the Stock Exchange regulations, DIA has several channels of communication:

- (a) publication of information related to the quarterly results and other events such as presentation of results or corporate transactions;
- (b) presentations to investors;
- (c) communiqués and press releases

B.1.36 Please specify whether the Company changed its external auditors during the year. If so, please identify the incoming and outgoing auditors:

NO

Outgoing auditors	Incoming auditors

If there were any disagreements with the outgoing auditors, please provide an explanation:

NO

B.1.37 Please specify whether the audit firm provides any non-audit services to the Company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the Company and/or Group:

YES

	Company	Group	Total
Amount for non-audit services (thousands of Euros)	222	101	323
Amount for non-audit services/total amount billed by the audit firm (%)	65.140	12.040	27.380

B.1.38 Please specify whether the auditors' report on the prior year's annual accounts contains a qualified opinion or reservations. If so, please explain the reasons given by the chair of the Audit and Compliance Committee to explain the content and extent of the aforementioned qualified opinion or reservations.

NO

B.1.39 Please indicate the number of years for which the current audit firm has been auditing the annual accounts of the Company and/or Group. Please also specify the number of years audited by the current audit firm as a percentage of the total number of years that the annual accounts have been audited:

	Company	Group
Number of consecutive years	21	21

	Company	Group
Number of years audited by the current audit firm/number of years that the Company has been audited (%)	100.0	100.0

B.1.40 Please provide details, to the extent that they are known to the Company, of any interests held by the members of the board of directors in companies with identical, similar or complementary statutory activities to those of the Company or Group. Please also specify the positions or duties held by the members in question in these companies:

Name of board member	Company	% Interest	Office or duties
MR. RICARDO CURRÁS DE DON PABLOS	CARREFOUR SOCIÉTÉ ANONYME	0.000	NONE
MR. NADRA MOUSSALEM	CARREFOUR SOCIÉTÉ ANONYME	0.000	NONE

B.1.41 Please specify whether there is a procedure whereby board members can contract external advisory services, and provide details if applicable:

YES

Explanation of procedure
Article 21 of the board regulations governs this point, establishing that: 1. Board members may ask the Company to engage legal, accounting, technical, commercial or financial advisors or any other experts to assist them in the discharge of their duties. This engagement must focus on specific, relevant and complex problems that may arise in the performance of the duties of a board member.

Explanation of procedure

2. The request to engage the advisor shall be channelled through the chairman of the board of directors of the Company, who may subject it to prior authorisation by the board of directors, which may be denied when there are reasons to do so, including the following circumstances:

- (a) the board does not require any external advice for the proper performance of the duties designated to external members;
- (b) the related cost is not reasonable considering the importance of the problem and the Company's assets and revenues;
- (c) the technical assistance required can be suitably provided by the Company's own experts and technical personnel;
- o
- (d) it may result in a risk to the confidentiality of the information that is to be provided to the expert.

B.1.42 Please specify whether there is a procedure for providing information to board members to allow them to prepare for meetings of administration bodies with sufficient notice. If so, explain the procedure:

YES

Explanation of procedure

Pursuant to article 22 of the board regulations, directors have a duty to diligently keep abreast of Company operations. To this end, directors may request information on any aspect of the Company and examine its books, records, documents or other documentation. The right of information extends to investee companies if possible. Requests for information should be addressed to the chairman of the board of directors, who shall forward the request to the appropriate representative of the Company. If in the judgement of the chairman the information is confidential, the director requesting the information shall be informed of that circumstance and the confidential nature of the information, in accordance with the provisions of law and the board regulations.

In addition to the above, article 15 of the board regulations establishes that meetings shall be announced to directors by post, fax, telegram or email and authorised with the signature of the chairman, or where applicable the secretary or vice-secretary by order of the chairman. Notice of at least five days shall be given, unless the reasons for the meeting are urgent in which case the chairman may give forty-eight hours notice. The notice shall always include the place, date, time and indicative agenda of the meeting and shall be accompanied, where appropriate, by any information deemed necessary.

B.1.43 Please specify whether the Company has established rules whereby board members must provide information on any circumstances that may damage the Company's standing and reputation and, if necessary, resign.

YES

Explanation of rules

Article 21 of the board regulations establishes that directors must submit their resignation immediately when by reason of facts attributable to the director in their capacity as such there has been serious damage to the credit and reputation of the company, or he or she loses the commercial and professional repute necessary to be a director of the Company.

B.1.44 Please specify whether any member of the board of directors has notified the Company that he or she has been put on trial, or notified that judiciary proceedings have been filed, for any offences established in section 124 of the Spanish Companies Act.

NO

Please explain whether the board of directors has examined the case. If so, please explain and provide reasons for the decision taken as to whether the board member in question should continue in his or her position.

NO

Decision taken	Reasoned explanation

B.2 Committees of the board of directors

B.2.1 Please provide details of all committees of the board of directors and their membership:

Appointments and Remuneration Committee

Name	Position held	Type
MR. PIERRE CUILLERET	CHAIRMAN	INDEPENDENT
MR. MARIANO MARTÍN MAMPASO	BOARD MEMBER	INDEPENDENT
MR. NICOLAS BRUNEL	BOARD MEMBER	PROPRIETARY

AUDIT AND COMPLIANCE COMMITTEE

Name	Position held	Type
MR. JULIÁN DÍAZ GONZÁLEZ	CHAIRMAN	INDEPENDENT
MR. NADRA MOUSSALEM	BOARD MEMBER	PROPRIETARY
MR. RICHARD GOLDING	BOARD MEMBER	INDEPENDENT

B.2.2 Please indicate whether the Audit and Compliance Committee assumes the following functions:

Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles	YES
Review internal control and risk management systems on a regular basis so main risks are properly identified, managed and disclosed	YES
Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department 's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	YES
Establish and supervise a mechanism whereby staff can report confidentially, and, if necessary, anonymously , any potentially significant irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.	YES
Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of engagement	YES
Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.	YES
Monitor the independence of the external auditor.	YES
In the case of groups, the committee should urge the group auditor to take on the auditing of all component companies.	NO

B.2.3. Please describe the organisational and operational regulations and responsibilities assigned to each board committee.

Committee name

AUDIT AND COMPLIANCE COMMITTEE

Brief description

The main rules governing the Audit and Compliance Committee are included in article 37 of the board regulations and article 41 of the by-laws, as follows:

1. The board of directors shall create a permanent Audit and Compliance Committee comprising a minimum of three directors and a maximum of five, appointed by the board of directors from among its external directors. At least one of the members of the Audit and Compliance Committee shall be independent.
2. The members of the Audit and Compliance Committee, in particular its chairperson, shall be appointed considering their knowledge and experience of accountancy, audit and risk management issues.
3. Without prejudice to such other tasks as may be assigned to it from time to time by the board of directors, the Audit and Compliance Committee in any event shall have the following responsibilities:
 - (a) responding to any questions raised by shareholders at their general meeting on matters which fall within its remit;
 - (a) supervising and reviewing the process of preparation and presentation of the regulated financial information that, in accordance with article 35 of the Securities Market Act, is to be provided by the board to the markets and their supervisory bodies, and in general ensuring compliance with the legal requirements in this area, the appropriate delimitation of the consolidated group and the proper application of generally accepted accounting principles, and reporting on proposals for changes in accounting principles and standards suggested by management;

(c) periodically supervising and reviewing the effectiveness of the Company's internal control procedures, internal audit and risk management systems, verifying the appropriateness and completeness thereof and proposing the hiring, appointment and replacement of those responsible therefore; proposing the budget for such services and verifying that the members of the management team take account of the conclusions and recommendations in its reports; and discussing with the Company's auditors such significant weaknesses in the internal control system as may be discovered in the conduct of the audit;

(d) proposing to the board of directors, for submission to the general shareholders meeting, the appointment of the external auditors, as well as the conditions for hiring them, the scope of their professional assignment and, if applicable, revocation or non-renewal of the appointment;

(e) establishing the appropriate relationships with auditors or audit companies to receive information regarding such questions as may compromise their independence, for examination by the Committee, and those of anyone else involved in the process of auditing accounts, and such other communications as may be contemplated in the legislation regarding auditing and audit standards.

The Audit and Compliance Committee shall, in any case, receive annual written confirmation from the auditors with respect to their independence from the entity or related entities (whether directly or indirectly), and information on additional services of any kind rendered to these entities by the aforementioned auditors, or by persons or entities related to them in accordance with Spanish Audit Law;

(f) prior to the auditors' report, issuing an annual report expressing an opinion on the independence of the auditors or audit companies. This report in any event must opine on the provision of services in addition to audit services, ensuring compliance with the existing rules in this regard, the limits on the concentration of the auditor's business and, in general, the other requirements designed to safeguard auditors' independence;

(g) liaising between the board of directors and the auditors, assessing the results of each audit and the management team's responses to their recommendations, mediating between these whenever there are discrepancies relating to the principles and criteria applicable in the preparation of the financial statements, as well as discussing with the auditor of the accounts any material weaknesses detected in the internal control system during the course of their work;

(h) supervising compliance with the rules regarding related party transactions with directors or major shareholders or shareholders represented on the board; in particular, it shall report to the board regarding such related party transactions and, in general, regarding transactions that imply or may imply conflicts of interest, for purposes of their approval, and shall see to it that information is reported to the market as required by law;

(i) supervising compliance with internal codes of conduct, in particular the code of conduct for the securities market;

(j) implementing and supervising a mechanism whereby staff can report confidentially, and, if necessary, anonymously, any potentially significant irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the company.

(k) preparing and updating a declaration of ethical values related to the reliability of financial information in compliance with applicable regulations, which shall be approved by the board of directors and communicated to all levels within the organisation;

(l) establishing procedures to monitor respect for principles of professional integrity and ethics, and measures to identify and correct departures from those values within the organisation; and

(m) any such others as may be attributed to it by law and other regulations applicable to the Company.

4. The Audit and Compliance Committee shall be convened by the chairman of the Committee, on his own initiative, or on request of the chairman of the board of directors or two members of the Committee itself. Notice shall be sent by post, telegram, fax, e-mail, or in any other manner allowing evidence of receipt.

5. In any event the Audit and Compliance Committee shall be called and shall meet, at a minimum, on a quarterly basis, to review the periodic financial information that, in accordance with article 35 of the Securities Market Act, the board must send to the market supervisory authorities as well as the information the board of directors is to approve and include within its annual public documentation.

6. The chairman of the Audit and Compliance Committee shall be appointed from among the external directors or members that have no management functions within the Company, and have no contractual relationship other than the status on the basis of which they are appointed.

7. The chairman shall be replaced every four years, and may be re-elected one year after leaving office.
8. The Committee shall also appoint a secretary and may appoint an assistant secretary, neither being required to be a member of the committee. If these appointments are not made, directors of the board shall act as such.
9. The Audit and Compliance Committee may validly meet when a majority of its members attend the meeting in person or by proxy. Resolutions shall be passed by a majority of the members in attendance, in person or by proxy.
10. Minutes shall be prepared of the resolutions adopted at each meeting, which shall be reported to the full board, sending or delivering a copy of the minutes to all members.
11. The Audit and Compliance Committee shall prepare an annual report of its actions, highlighting the principal incidents, if any, that have arisen in respect of matters within its competence. In addition, when the Audit and Compliance Committee deems it to be appropriate, it shall include proposals for improvement of the company's governance rules in the report.
12. When so requested by the Committee, the members of the management team and the employees of the company shall attend meetings of the Audit and Compliance Committee and providing cooperation and access to the information available to them when requested. The Committee may also require the auditors of the Company's accounts to attend meetings.
13. The Audit and Compliance Committee may seek the advice of external experts, when considered necessary to discharge its duties, informing the secretary or assistant secretary of the board, who shall take responsibility for contracting for the corresponding services.
14. In the absence of specific rules governing the Audit and Compliance Committee, the provisions of the regulations for the board of directors shall be applicable, provided they are not incompatible.

Committee name

Appointments and Remuneration Committee

Brief description

The main rules governing the Appointments and Remuneration Committee are included in article 38 of the board regulations and article 42 of the by-laws, as follows:

1. The Appointments and Remuneration Committee shall be comprised of external directors, the majority independent, in a number determined by the board of directors, with a minimum of three and a maximum of five. The members of the Appointments and Remuneration Committee shall be appointed by the board of directors.
2. The Appointments and Remuneration Committee shall appoint a chairman from among its members. The chairman shall be an independent director. The chairman must be replaced every four years, and may be re-elected one year after leaving office.
3. At least one of the members of the Appointments and Remuneration Committee must have knowledge and experience regarding remuneration policies.
4. Without prejudice to such other tasks as may be assigned by the board of directors, the Appointments and Remuneration Committee shall perform the following duties: (a) evaluating the skills, knowledge, experience and level of dedication required of members of the board of directors; (b) making proposals to the board of directors of independent directors to be appointed by co-option or, if applicable, for submission to decision by the general meeting, and proposals for re-election and dismissal of those directors by the Company; (c) reporting on proposals of the board of directors for appointment of other directors to be appointed by co-option or, if applicable, for submission to decision by the general shareholders meeting, and proposals for re-election and dismissal of those directors by the general meeting; (d) reporting on the senior management appointments and removals that the chief executive of the Company proposes to the board; (e) reporting to the board on matters of gender diversity and, in particular, ensuring that procedures for selection of directors and senior managers do not suffer from implicit bias preventing selection of women; (f) proposing to the board of directors (i) the system for and amount of annual remuneration of directors, (ii) the individual remuneration of internal directors and senior managers and the other contractual conditions (iii) the standard conditions for senior officer employment contracts (g) analysing, formulating and periodically reviewing the remuneration policy applied to internal directors and the management team, including share-based remuneration schemes and the application thereof, and guaranteeing that it is proportionate to the remuneration paid to other directors and members of the management team and other personnel of the Company; (h) ensuring compliance with the remuneration policy established by the Company; (i) generally supervising compliance with the corporate governance rules applicable to the Company; (j) informing shareholders on the performance of its duties, and for this purpose attending the general meeting; and (k) assisting the board in preparing the report on the remuneration policy for directors, and sending the board any other reports on remuneration specified in the board regulations.
5. The Nomination and Remuneration Committee shall meet as often as necessary, in the judgement of its chairman. The chairman must call a meeting upon request for the issuance of a report or adoption of proposals and, in any

event, whenever it is appropriate to the proper exercise of its duties.

6. The Committee shall be convened by the chairman of the Committee, on his own initiative, or on request of the chairman of the board of directors or two members of the Committee itself. Notice shall be sent by post, telegram, fax, e-mail, or in any other manner allowing evidence of receipt.

7. The Appointments and Remuneration Committee may validly meet when a majority of its members attend the meeting in person or by proxy. Resolutions shall be passed by a majority of the members in attendance, in person or by proxy.

8. Minutes shall be prepared of the resolutions adopted at each meeting, which shall be reported to the board in plenary session. The minutes shall be available to all members of the board at the office of the secretary thereof, but shall not be subject to sending or delivery on a discretionary basis, unless the chairman of the Committee otherwise orders.

9. When so requested by the Committee, the members of the board of directors, the management team and the employees of the company are required to attend meetings of the Appointments and Remuneration Committee and cooperate with it and give it access to the information available to them.

10. In the absence of specific rules governing the Appointments and Remuneration Committee, the provisions of the regulations for the board of directors shall be applicable, provided they are not incompatible.

B.2.4 Please indicate the advisory and consulting functions and any delegated powers corresponding to each of the committees:

Committee name

AUDIT AND COMPLIANCE COMMITTEE

Brief description

See section B.2.3.

Committee name

Appointments and Remuneration Committee

Brief description

See section B.2.3.

B.2.5. Please indicate, where applicable, the existence of any regulations governing board committees, where these regulations may be consulted and any amendments made to them during the year. Please also state whether any annual reports on the activities of each committee have been voluntarily prepared.

Committee name

AUDIT AND COMPLIANCE
COMMITTEE

Brief description

The regulations governing the organisation and operations of the Audit and Compliance Committee are included in the board regulations, available on the DIA website (www.diacorporate.com).

The Audit and Compliance Committee shall also prepare an annual report of its actions, highlighting the principal incidents, if any, that have arisen in respect of matters within its competence. In addition, when the Audit and Compliance Committee deems it to be appropriate, it shall include proposals for improvement of the company's governance rules in the report.

Committee name

Appointments and Remuneration
Committee

Brief description

The regulations governing the organisation and operations of the Appointments and Remuneration Committee are included in the board regulations, available on the DIA website (www.diacorporate.com).

The Appointments and Remuneration Committee shall also prepare an annual report of its actions, highlighting the principal incidents, if any, that have arisen in respect of matters within its competence. In addition, when the Appointments and Remuneration Committee deems it to be appropriate, it shall include proposals for improvement of the company's governance rules in the report.

B.2.6 Please indicate whether the composition of the Executive Committee reflects the participation of the various board members on the board by type:

N
O

If not, please describe the structure of the executive committee
Does not apply since DIA does not have an executive committee.

C - RELATED-PARTY TRANSACTIONS

C.1. Please state whether the board has reserved the right to approve in plenary sessions transactions performed by the Company with directors, significant shareholders or shareholders represented on the board, or with persons related to any of the above, following a favourable report by the Audit Committee or other committee entrusted with this duty.

YES

C.2. Please describe relevant transactions involving a transfer of resources or obligations between the Company or entities within its Group and the Company's significant shareholders:

C.3. Please describe any relevant transactions which involve a transfer of resources or obligations between the Company or entities within its Group and the directors or management personnel of the Company:

C.4. Please describe relevant transactions carried out by the Company with other companies belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not (in terms of their purpose and conditions) form part of the Company's ordinary business activities.

C.5. Please state whether the members of the board of directors have been in any situation during the year which is regarded as a conflict of interests pursuant to the provisions of Article 127.3 of the Spanish Companies Act.

Y
E
S

Name of board member

MR. NADRA
MOUSSALEM

Description of the conflict of interest

Blue Capital, S.à.r.l., which proposed Mr. Moussalem's appointment as a director on DIA's board, is also a major shareholder of Carrefour Société Anonyme (involved in the same type of activity as DIA). Mr. Moussalem has also stated that he holds shares in Carrefour Société Anonyme (involved in the same type of activity as DIA).

Name of board member

MR.
NICOLAS
BRUNEL

Description of the conflict of interest

Blue Capital, S.à.r.l., which supported Mr. Brunel's appointment as a director on DIA's board, is also a major shareholder of Carrefour Société Anonyme (involved in the same type of activity as DIA).

Name of board member

MR. PIERRE
CUILLERET

Description of the conflict of interest

Mr. Cuilleret has stated that his spouse is a member of the board of directors of Carrefour Société Anonyme (involved in the same type of activity as DIA). In addition, Mr. Cuilleret's spouse owns 34,580 shares in Carrefour Société Anonyme (0.005% of its share capital).

C.6. Please describe the mechanisms in place to detect, determine and resolve potential conflicts of interests between the Company and/or its Group and its directors, management personnel or significant shareholders.

Article 27 of the board of directors' regulations stipulates the following:

1. 1. A conflict of interest will be deemed to exist in those situations in which the interest of the Company or its group companies is in direct conflict with a director's personal interest. A director has a personal interest when the matter affects him or her or a related party.
2. For purposes of this regulation, related parties of the directors are those considered as such pursuant to the prevailing article 231 of Spanish Corporate Enterprises Act.
3. Conflicts of interest will be governed by the following rules:
 - (a) A director shall avoid situations that could result in a conflict of interest between the Company and the director or related parties.
 - (b) In any event, a director shall advise the board of the existence of conflicts of interest as soon as he or she becomes aware of such conflict.

(c) In any event, a director must abstain from attending or participating in deliberations and votes affecting matters in which the director has a personal interest. In this regard, the votes of the directors affected by the conflict that are to abstain from voting shall be subtracted for purposes of calculating the necessary voting majority.

(d) In any event, all conflicts of interest involving directors shall be disclosed in the annual corporate governance report and in the notes to the financial statements.

4. A director may not directly or indirectly undertake professional or commercial transactions with the Company, unless he has previously disclosed the conflict of interest and the board of directors has received a report from the Audit and Compliance Committee and approves the transaction.

C.7. Is there more than one Group company listed in Spain?

N
O

Please name the listed subsidiaries:

D - RISK CONTROL SYSTEMS

1 General description of the Company's and/or Group's risk policy, detailing and assessing risks covered by the system together with the justification of the adequacy of these systems to the profile of each type of risk.

The board of directors is responsible for approving and establishing the control and risk management policy, identifying the main risks of the Company and its subsidiaries and organizing appropriate internal control and information systems (article 5 of the regulations of the board of directors).

On this basis, the board of directors has approved the DIA Group's risk management policy which is summarised below.

1. SCOPE

The risk management policy is applicable to the Company and its subsidiaries and all the organisation's personnel are responsible for its correct application.

Decisions taken by the DIA Group's Steering Committee in all its activities affect the creation of value, from establishing the Group's strategy to the organisation's day-to-day operations. This value is maximised when the strategy and objectives are established with an optimum balance between growth targets and profitability and the associated risks.

When applying the corporate risk management model (hereinafter "RMM"), DIA must consider all its activities at the various levels of the organisation, from corporate level to business units and processes. The RMM must, therefore, be applicable at the following levels:

- Execution of DIA's strategy.
- Attainment of the business objectives.
- Correct conducting of operations.

The entire organisation plays an important role in achieving the RMM objectives. Its focus is, therefore, complete and systematic and it is applicable to the Company and all its subsidiaries.

2. METHODOLOGY

An integral risk management model enhances an organisation's ability to manage scenarios of uncertainty. The approach is systematic and detailed, enabling the organisation to identify events, assess, prioritise and respond to the risks associated with its main objectives, projects and operations.

DIA's risk management process is based on the standard COSO II methodology, a generally accepted risk management methodology on the market which has been adapted to DIA's requirements. This methodology enables the Group to identify, create, capture and sustain the value of risk management at the various levels of the Company and its subsidiaries.

COSO II methodology is based on a three-dimensional risk management approach:

-OBJECTIVES of the organisation

- LEVELS of the organisation where risks might materialise; therefore, the levels at which the risk management model should be implemented.

-COMPONENTS, each inter-related with others, necessary to manage the risks that might obstruct the achievement of the objectives. These components are as follows:

I. Internal atmosphere: Management establishes the risk management philosophy, determining the acceptable risk level.

II). Setting objectives: the Company's objectives must be known to identify any potential events that might affect their attainment.

III. Identification of events: potential events that might impact DIA have to be identified. Events are considered to be any occurrences which could affect the achievement of objectives, differentiating those which represent a risk from those which are an opportunity.

IV. Risk assessment: the risks are analysed and the probability of their materialising is assessed as well as their possible impact on achieving the objectives.

V. Response to the risks: possible reactions to risks are identified and evaluated: avoid, accept, mitigate or share.

VI. Control activities: policies and procedures are established, based on the responses to risks, to ensure their use.

VII. Information and communication: the information obtained from the analysis should be communicated to those responsible for its implementation.

VIII. Oversight: risk management is supervised so that it can be adapted if circumstances change.

3. RISK DEFINITION

The Company defines risk as any internal or external contingency which should it materialise would obstruct or prevent the organisation from achieving its objectives.

The risk may be classed as inherent or residual depending on its nature:

Inherent risks: risks arising due to the very nature of the business and the Company, which are assessed without taking into account the controls in place within the organisation to mitigate these.

Residual risks: risks that arise due to the very nature of the business and the Company, which persist despite the controls in place in the organisation to mitigate these.

Following the COSO II methodology the Company's risks are classed into four categories:

- Strategic: affect objectives directly related to the Company's strategy.

- Operations: affect objectives linked to effective and efficient use of resources.

- Financial and reporting: affect objectives related to the reliability of both the internal and external information provided (financial and non-financial).

- Compliance: affect objectives linked to adhering to prevailing legislation.

Each risk is assessed in terms of its probability and impact. The Company considers that risk arises from the loss of an opportunity and/or strengths as well as the materialisation of a threat and/or enlargement of a weakness.

4. KEY PRINCIPLES

The five key principles of DIA's risk management are as follows:

I. To achieve the strategic objectives mapped out, risks should be managed throughout the organisation, with no exceptions. The involvement of the entire organisation in the risk management system is vital.

II). Risk management encompasses the identification, assessment, responses, monitoring or follow-up and reporting of risks according to the procedures established for this purpose.

III. Risk responses should be consistent and extremely appropriate to conditions within the business and the economic environment.

IV. The DIA Group Steering Committee must, among other duties, assess annually the main risks faced by DIA and review DIA's risk tolerance level.

V. Regular monitoring should be carried out and the board's Audit and Compliance Committee informed of identification, assessment, response, monitoring or follow-up and reporting activities in keeping with DIA's RMM.

5. RESPONSIBILITIES

The DIA Group's board of directors, the Audit and Compliance Committee and the Steering Committee are in charge of supervising that the RMM works correctly.

The Audit and Compliance Committee is tasked with supervising and regularly reviewing the effectiveness of DIA's internal control procedures, internal audit and the risk management systems, verifying their appropriateness and completeness.

The DIA Group Steering Committee is responsible for its internal implementation, as well as establishing the strategy, culture, people, processes and technology that give form to the Company's RMM.

DIA has set up a Corporate Risk Committee and one of its members has been designated as the Corporate Risk Coordinator, whose duties include the communication and coordination of meetings as well as the compiling and dissemination of information. The coordinator also acts as the spokesperson for risk management issues with the various jurisdictions in which DIA operates.

In each jurisdiction the senior executives must set up a Risk Committee and appoint a Risk Coordinator.

The basic responsibilities of the Risk Committee are as follows:

- Analyse the environment and new projects that might directly or indirectly have an impact on DIA's risks, to consider including new risks and/or determine that former risks have disappeared.

- Recommend specific initiatives are carried out, plan their monitoring and the continuity of existing action plans.

The Risk Committee should also perform an annual assessment and detailed analysis of DIA's risks.

The conclusions drawn and the information obtained from the analysis of DIA's RMM should be communicated regularly to the DIA Group's Steering Committee as well as the Audit and Compliance Committee. Additionally, the Risk Committee must inform the DIA Group's Steering Committee whenever it detects any important issues as a result of its analysis. The DIA Group's Steering Committee may request information on the Risk Committee's findings whenever considered appropriate.

In the independent and responsible exercise of their duties, the Audit and Compliance Committee and internal audit are tasked with supervising the risk control and management system.

The Internal Audit Department, in its oversight role, assesses the correct functioning of the control and risk management system, the performance of the governing bodies and the effectiveness of the control activities implemented. The results of this supervision are reported to the Audit and Compliance Committee.

D.2 Please indicate whether any of the different kinds of risk (operational, technological, financial, legal, reputational or tax-related) to which the Company and/or Group are exposed have materialised during the year:

NO

If so, please specify the circumstances that caused these and whether established control systems functioned correctly.

D.3 Please specify whether any committee or other governing body is responsible for establishing and supervising these control devices:

YES

If so, give details of its functions.

Name of the committee or body

Audit and Compliance Committee

Description of duties

The Audit and Compliance Committee assists the board of directors in its supervisory role. Its main competences are those included in article 37 of the board of directors' regulations, among which the following are of particular note: the supervision of the process for preparing and presenting statutory financial information and the efficiency of the internal control and internal audit procedures as well as that of risk management systems.

The Internal Audit Department reports directly to the Audit and Compliance Committee in the organisational structure, thus guaranteeing that it has the necessary autonomy and independence to perform its duties and to responsibly supervise the risk management and control system.

The DIA Group's Steering Committee also has a duty in this area, as described in section D.1 above.

D.4 Identify and describe processes for compliance with different regulations that affect your Company and/or Group:

The Company is responsible for identifying, measuring and minimising legal risks, observing at all times the legal framework applicable and informing those responsible within the Company on compliance with legal obligations.

To correctly perform and comply with these duties, the Company has an organisational structure which comprises a Human Resources Department, a Finance and Tax Department and a Legal Department in all jurisdictions where it operates, which are responsible for identifying the applicable legislation and supervising compliance therewith.

DIA has taken the following initiatives to correctly perform the tasks of identifying the legal framework and supervise compliance:

1. Established a legal control and monitoring procedure.

The Legal Department has provided the Company with what is known as its "regulatory map", which identifies and provides details on all legislation applicable to DIA, with special attention placed on key legislation affecting the main supply chain processes, classifying this legislation into six areas:

- product negotiations, i.e. DIA's relationship with service and merchandise suppliers, competitors, regulating boards, brands, etc.
- logistics, i.e. goods warehousing, distribution and transport.
- wholesale and retail businesses
- commercial premises, urban leases, horizontal property, local taxes, trading hours, etc.
- DIA's customer relations, personal data protection, consumer rights, payment methods, sales advertising and promotions, etc.
- DIA as a listed company, securities market issues, internal code of conduct, etc.

The Legal Department is also responsible for informing the rest of the Company of the contents and scope of new legislation and/or amendments, designing and holding training sessions, whether in a classroom or via e-learning, when new legislation might have a significant impact on DIA's activity.

The Legal Department has established a monitoring and updating procedure for legislation and its communication, which defines the resources, responsibilities and necessary internal and external tools to perform this duty and to achieve the two-fold objective of facilitating an up-to-the-minute regulatory map and an organisation which is aware of its legal obligations.

The Finance and Human Resource Departments have the appropriate procedures to respectively monitor tax and labour legislation and are responsible for its subsequent adoption across all business lines.

2. Set up a Legal Compliance Unit and appointed a Legal Compliance Director.

Since 13 July 2011 DIA has a Legal Compliance Unit (hereinafter "LCU") with competences relating to the Company's legal compliance and corporate governance. The LCU is responsible for monitoring effective compliance with Internal Code of Conduct (hereinafter "ICC") obligations with regard to the securities market, its main tasks, *inter alia*, are as follows:

- Promote awareness of the ICC and the rules of conduct relating to the securities market and ensure compliance.
- Determine the people subject to the ICC and the periods of restricted actions, dispensation or the need for authorisation to perform transactions with securities.
- Instruct disciplinary cases for non-compliance with the ICC.
- Report regularly to the Audit and Compliance Committee of the board of directors on measures adopted to foster awareness of the ICC and ensure compliance.

The LCU is an independent professional body comprising three members, namely the heads of the HR, finance and legal departments. It has also has the support of an external advisor on securities market issues. Since 5 July 2011 the Company has a Director of Legal Compliance (hereinafter "DLC"), appointed by the board secretary and approved by the Audit and Compliance Committee. The DLC is a member of the LCU and performs the duties of Legal Director of the DIA Group and is vice-secretary to the board. The DLC is responsible for the correct functioning of the LCU, is the Group's liaison with the CNMV (Spanish SEC) and oversees compliance with the ICC, controlling and recording securities transactions.

With regard to the control and recording of transactions with securities, the Company has established a procedure for communicating securities transactions which is compulsory for all persons subject to the ICC.

3.- Implementation of legal compliance systems

In 2012 DIA has established policies and procedures aimed at providing employees with information and training on certain principles of conduct and to prevent and detect misconduct. The approval of DIA's first Code of Ethics and the creation of a whistle-blowing hotline for consultations and information should be noted, as well as the introduction of a plan or model for the prevention of crime in the Company.

(i) Code of Ethics and Whistle-blowing hotline

On 9 May 2012 DIA's board of directors approved the first Code of Ethics (available at www.diacorporate.com), as a result of consensus and a reflection of the diversity in the DIA Group. The Company has considered that the Code of Ethics is the best means of implementing a compliance policy from top to bottom, guiding employees in certain areas of conduct and behaviour by example. This Code, as in the case of all the other rules defined by the Company, is compulsory for all employees.

DIA's board of directors has also approved the creation and setting up of a whistle-blowing hotline for consultations and information (via email and post code) at Group level and in each jurisdiction where DIA operates, to clarify any doubts regarding its interpretation and analyse and resolve possible breaches of the Code, in keeping with the applicable internal and external regulations. The corporate Ethics Committee is responsible for managing the whistle-blowing hotline, promoting awareness of its existence and supervising its functions correctly.

For further information regarding the Code of Ethics and the whistle-blowing hotline please consult the section on control and risk systems in relation to the issue of financial information (ICOFR) in the Appendix to this report.

(ii) Crime prevention plan

DIA has introduced a crime prevention plan aimed at establishing the most appropriate internal control procedures and policies to prevent unlawful acts and in the event of their occurrence being able to mitigate or dispense the Company from liability in light of the revised Criminal code approved by Law 10/1995, of 23 November 1995.

Accordingly, the activities carried out by the various business areas have been analysed and the risk assessed, in terms of probability and impact, relating to crimes that might be committed in each business area, taking into account the controls already in place by DIA to mitigate such risk.

A crime prevention officer has been appointed within the organisation, reporting to the LCU and Ethics Committee at corporate level, who will be responsible for the maintenance and correct functioning of the prevention plan.

4.- Audit procedures

DIA has submitted its ICOFR information for 2012 sent to the markets for external review by its auditor. The scope of the auditor's review procedures were performed in line with the Draft Action Guide dated 28 October 2011 and the corresponding illustrative model of the auditor's report which was published by the corporations representing the auditors of accounts. Additionally, on 25 January 2012, the Spanish Institute of Registered Auditors, in its circular E01/2012, establishes certain further considerations in this respect, which the external auditor has also taken into account when applying the procedures.

The Internal Audit Department, which reports directly to the Audit and Compliance Committee of the board of directors, includes verification of legal compliance in its annual audit plan, as well as the review of the procedures implemented by DIA to achieve strict observance of the legal framework.

E - GENERAL MEETING

E.1 Please specify and, where appropriate, provide details of any differences compared to the system of minimums foreseen in the Spanish Companies Act with regard to the quorum for calling the General Meeting

NO

	% of quorum different to that established in art. 102 of the Spanish Companies Act for general matters	% of quorum different to that established in art. 103 of the Spanish Companies Act for special cases
Quorum required for 1st call	0	0
Quorum required for 2nd call	0	0

E.2 Please specify and, where appropriate, provide details of any differences compared to the system set forth in the Spanish Companies Act for adopting corporate agreements.

NO

Please describe differences compared to the system set forth in the Spanish Companies Act.

E.3. Please list the rights of shareholders in relation to General Meetings which are different to those established in the Spanish Companies Act.

Shareholders rights in relation to general meetings are those set forth in the Spanish Corporate Enterprises Act and stipulated in detail in DIA's by-laws and general meeting regulations, the complete texts of which are available to the general public on DIA's website (www.diacorporate.com).

E.4. Please specify any measures adopted to encourage the participation of shareholders in General Meetings.

DIA has introduced a number of measures aimed at encouraging shareholders to participate in general meetings, which are set forth in the general meeting regulations. The most salient are the following:

1. Without prejudice to their publication on the Company's website, all reports and documents which may be mandatory by law shall be made available to shareholders whenever legally required.
2. Specifically, any shareholder may examine the proposals for resolutions, reports and other documentation relating to the matters included in the agenda which must be made available to shareholders pursuant to the law and the by-laws. Shareholders may examine the documentation at the registered office of the company as from the date of publication of the notice of a general meeting. In addition and where legally applicable, shareholders may request that the full text of the documents made available to them be given or sent to them free of charge.
3. When the general meeting is to approve the annual accounts, any shareholder may obtain the annual accounts, the management report, and the auditors' report, including both the individual ones and the consolidated ones where applicable, from the Company's registered offices immediately and free of charge as from the date of publication of the notice of a general meeting.
4. Likewise, when the general meeting is to pass a resolution to amend the by-laws, shareholders shall be entitled to examine the full text of the proposed modification and of the written report relating thereto drawn up by the board of directors or, where applicable, by the shareholder(s) who made the proposal, and to request that such documents be given or sent to them free of charge. Shareholders may examine the texts at the registered offices as from the date of publication of the notice.

5. When a general meeting is called the board of directors shall assess whether it would be appropriate to provide shareholders with any additional information which would help improve their knowledge of how to exercise their rights regarding the general meeting and the matters on the agenda, such as shareholder's guides, etc.

Shareholders may delegate their vote and representation to another person (a proxy-holder), who does not have to be a shareholder. The proxy must be granted specifically for each meeting, without prejudice to the provisions of Article 187 of the Spanish Companies Act for cases of family representation and the granting of general powers of attorney.

The proxy must be granted in writing, using the delegation formula printed on the attendance card or any other permitted by law, or by means of any distance communication methods which adequately guarantee the proxy granted and both the grantor's and the proxy holder's identities.

Proxies conferred by distance communication methods shall only be deemed to be valid if they are granted:

(a) By post, sending the Company the attendance card issued by the entity in charge of recording book entries duly signed and filled in by the shareholder, or by any other written method which, in the opinion of the board of directors at a previous resolution passed for that purpose, provides an adequate guarantee of the proxy granted and of both the grantor's and the proxy holder's identities; or using electronic communication methods which sufficiently guarantee the proxy granted and both the grantor's and the proxy holder's identities. Proxies granted by these methods shall be valid if the electronic document under which the proxy was granted includes the legally recognised digital signature used by the grantor or any other kind of identification of the shareholder which may be authorised by the board of directors under a prior resolution passed for that purpose, attaching an electronic copy of the attendance card and of the proxy.

6. Proxies granted by any of the above mentioned distance communication methods must be received by the Company at least twenty-four hours (24) prior to the date of the first call to the general meeting. In the event of failure to comply with this timeframe the proxy shall be deemed as not having been granted for the call in question.

7. If the shareholder has issued instructions, the proxy holder shall vote accordingly and shall be obliged to keep these instructions for one year from the date of the corresponding meeting.

8. The proxy-holder may represent more than one shareholder, with no limits as to the number of shareholders he/she may represent. When a proxy-holder represents several shareholders, he or she may cast votes in differing directions in accordance with the instructions given by each shareholder.

9. In all cases the number of shares represented shall be calculated for the purpose of valid assembly of the general meeting.

10. The board of directors is hereby authorised to bring into effect the above provisions by laying down the rules, means and procedures appropriate to the technique used for instrumenting the granting of proxies via electronic methods, complying with any regulations which may be issued in this respect.

E.5 Please specify whether the position of chairman of the General Meeting is the same as the chairman of the board of directors. Please provide details, as appropriate, of measures adopted to guarantee the independence and correct operation of the General Meeting:

YES

Details of measures
<p>Article 24 of the by-laws states that the chairman of the board shall also chair the general meeting, and in his absence, the vice-chairman. For these purposes, the general meeting's independence and correct functioning are guaranteed by the provisions established in the general meeting regulations.</p> <p>Without prejudice to the provisions of the Spanish Corporate Enterprises Act regarding general meetings and notice of meetings, the board of directors is responsible for calling the shareholders to a general meeting and may do so whenever considered necessary or convenient for the Company's interests. Nevertheless, the board of directors must call a general meeting (i) within the first six months of the year to approve the management of the Company, the prior year's accounts and decide on the distribution/appropriation of its profit/loss and (ii) when requested by one or more shareholders who hold, at least, 5% of the share capital, indicating in the request the issues to be raised at the meeting. In this case, the general meeting shall be called to be held within the timeframe foreseen by the Act. The board of directors shall draw up the agenda, which must include the matter or matters for which the meeting has been requested, as well as any others considered appropriate or convenient.</p>

Details of measures

The board of directors shall call general meetings by publishing an announcement in (i) the Official Gazette of the Mercantile Registry or one of the top circulation daily newspapers in Spain, (ii) on the Company's website (www.diacorporate.com) and (iii) on the CNMV website through a relevant event communication, at least one month prior to the date scheduled for the meeting, unless the law provides for a different prior notification period.

The announcement shall indicate whether the meeting is extraordinary or ordinary, the name of the Company, the place, date and time of meeting at the first call and, if applicable, second call, as well as the agenda, stating clearly and precisely all the matters to be discussed and the position(s) of the person(s) calling the meeting. At least twenty-four (24) hours must elapse between the first and second meetings. As far as possible, the shareholders shall be advised as to whether the general meeting is most likely to be held at the first or second call.

The announcement must also include all requisites for attending the general meeting and by what means these may be accredited to the Company, as well as the date on which shareholders must have shares registered in their name to be able to participate in and vote at the general meeting, where and in what format the complete text of DIA's general meeting regulations can be obtained, the documents and proposals of resolutions and the address of the Company's website where the information will be available.

The announcement shall contain clear and precise information on the steps shareholders must take to participate in and cast their vote at the general meeting, including the right to request information, which encompasses the points on the agenda and propose resolutions, as well as the timeframe for exercising this right.

The announcement of the meeting shall also include information on the system to be used for voting by proxy, the forms to be used for delegating votes and the means to be used for the Company to accept electronic notification of proxies granted. The announcement shall also contain the procedures established for distance voting, whether by mail or electronic means.

From the date the announcement of the meeting is published until at least the day on which the general meeting is held, the Company's website shall include all the information that by law should be made available to the shareholders and any other considered convenient to facilitate the shareholders attending and participating in the general meeting.

Furthermore, shareholders representing at least five percent of the share capital may request that a complementary call to the ordinary general meeting be published, including one or more points on the agenda, provided that the additional points are accompanied by a justification, or if applicable, a justified proposal for an amendment.

Article 24 of DIA's general meeting regulations confers on the chairman the broadest possible powers necessary to ensure the general meeting runs as smoothly as possible including the following:

- a) Start the meeting;
- (b) Declare that the general meeting has been validly established;
- (c) Address the general meeting, if considered appropriate, to report on the Company's progress, aims and projects, and to explain and support the resolutions proposed by the board of directors;
- (d) Establish an order for speaking, granting the floor to those shareholders who request it, withdrawing or declining it when considering a matter has been sufficiently discussed or is not included in the agenda or hinders the meeting's progress, requesting clarification of any issues that have not been sufficiently explained;
- (e) Grant the floor to those directors or senior executives deemed appropriate so that they may address the general meeting and report on the main matters under their management;
- (f) Accept or reject new proposals in relation to the matters included in the agenda; (g) Indicate when voting is to commence;
- (h) Organise the voting and, with the secretary's assistance, count the votes. (i) Announce the voting results and the approval of resolutions;
- (j) Resolve any issues which may arise during the general meeting regarding the established general meeting regulations;
- (k) Temporarily suspend the general meeting;
- (l) Declare that the meeting has come to an end and adjourn it;

Details of measures
<p>(m) Generally, exercise all convenient powers, including those relating to order and discipline, for the meeting to proceed in the correct manner.</p> <p>The chairman, even when present, may entrust the steering of the discussions to any director deemed appropriate or to the secretary, who shall perform this function on the chairman's behalf.</p> <p>The board of directors may require the attendance of a Notary Public to take the minutes of the meeting and shall be obliged to arrange this whenever shareholders who represent at least one percent of the share capital request such presence with at least five days notice prior to the scheduled date of the meeting. The Notary's certification shall be deemed to constitute the minutes of the meeting in both cases.</p>

E.6 Please provide details of any amendments to the general meeting regulations during the year.

The general meeting of DIA shareholders held on 13 June 2012 approved the amendment of various articles of the general meeting regulations to: (i) Include amendments to the regulations as a result of Law 25/2011, of 1 August 2011, having come into effect on 2 October 2011, which partially revises the Spanish Corporate Enterprises Act. Also to incorporate Directive 2007/36/EC, of the European Parliament and Council, dated 11 July 2007, on the exercise of certain rights of listed companies' shareholders and Royal Decree Law 9/2012, of 16 March 2012, which simplifies the documentation and information required in respect of mergers and spin-offs of limited liability companies and whereby, *inter alia*, the Spanish Corporate Enterprises Act has been amended and (ii) Introduce technical improvements in the text.

In particular, the preamble and the following articles were amended: 10 (Calling of General Meetings), 11 (Notice of Meetings), 12 (Addition to the Notice), 13 (Shareholders' Right to Information), 18 (Proxy Rights. Form and Methods for Voting by Proxy), 27 (Shareholders' Intervention), 28 (Right to Information During General Meetings), 31 (Voting on Resolutions) and 36 (Publication of Resolutions).

In addition, improvements were made to the text of articles 14 (Right to Information in Documentary Form), 21 (Infrastructure, Resources and Services of the Venue) and 26 (Opening of the Meeting) and two new articles were included; articles 19 bis (Representative's Conflict of Interest) and 19.ter (Public Request for Representation).

This amendment to the Regulations of General Meetings of Shareholders was communicated to the CNMV as a relevant event on 13 June 2012, registration no. 166774, with reference to the relevant event of 11 May 2012 with registration no. 163734, and duly recorded with the Madrid Mercantile Registry.

E.7 Please provide details of attendance at the General Meetings held in the year to which this report refers:

Attendance					
Date of General Meeting	% physical presence	% by proxy	% distance voting		Total
			Electronic vote	Other	
13/06/2012	2.002	40.066	0.000	12.530	54.598

E.8 Please provide brief details of the agreements adopted at the General Meetings held during the year to which this report refers, and the percentage of votes with which each agreement was adopted.

One. - Examination and approval, if applicable, of the annual accounts, the distribution of profit and management's performance:

1.1 Examination and approval, if applicable, of the individual annual accounts of the Company (Balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto) and the consolidated annual accounts of the Company and its subsidiaries (Statement of financial position, income statement, comprehensive income statement, statement of changes in equity, statement of cash flows and the notes thereto; all consolidated) as well as the individual directors' report on the Company and the consolidated directors' report on the Company and its subsidiaries, for the year ended 31 December 2011. Approved with the vote in favour of 99.9240% of the capital present or represented.

1.2. Proposal for the distribution of the Company's profit for the year ended 31 December 2011. Approved with the vote in favour of 99.6163% of the capital present or represented.

1.3. Examination and approval, if applicable, of the board of directors' management and performance during the year ended 31 December 2011. Approved with the vote in favour of 99.4951% of the capital present or represented.

Two.- Amendment, if applicable, of the following articles of the by-laws to adapt these to the changes introduced in recently approved legislation and to make certain technical improvements:

2.1 Amendment of article 14 (Issue of obligations and other securities) of Chapter IV of Title I of the Company's by-laws. Approved with the vote in favour of 99.9228% of the capital present or represented.

2.2 Amendment of articles 16 (Competences of the General Meeting), 18 (Call of a General Meeting), 19 (Right of information), 20 (Right of attendance), 21 (Right of representation) and 25 (List of attendants) of Chapter I of Title II of the by-laws. Approved with the vote in favour of 99.6151% of the capital present or represented.

2.3 Amendment of articles 36 (Board of Directors' meetings), 37 (Incorporation and majority for the adoption of resolutions), 41 (The audit and compliance committee) and 44 (Website) of Chapter II of Title II of the by-laws. Approved with the vote in favour of 99.6150% of the capital present or represented.

Two.- Amendment, if applicable, of the following articles of the Regulations of the General Meetings of Shareholders to adapt these to the changes introduced in recently approved legislation and to make certain technical improvements:

3.1 Amendment of the preamble. Approved with the vote in favour of 99.9232% of the capital present or represented.

3.2 Amendment of articles 10 (Calling of General Meetings), 11 (Notice of Meetings), 12 (Addition to the Notice), 13 (Shareholders' Right to Information) and 14 (Right to Information in Documentary Form) of Title III of the Regulations of the General Meetings of Shareholders. Approved with the vote in favour of 99.9232% of the capital present or represented.

3.3. Amendment of articles 18 (Proxy Rights. Form and Methods for Voting by Proxy) and 19 (Proxy Rights. Content of the Proxy Votes) of Title IV of the Regulations of the General Meetings of Shareholders and the inclusion of articles 19.bis (Representative's Conflict of Interest) and 19.ter (Public Request for Representation) of the same Title IV of the Regulations of the General Meetings of Shareholders. Approved with the vote in favour of 99.9232% of the capital present or represented.

3.4. Amendment of article 21 (Infrastructure, Resources and Services of the Venue) of Title V of the Regulations of the General Meetings of Shareholders. Approved with the vote in favour of 99.9232% of the capital present or represented.

3.5. Amendment of articles 26 (Opening of the Meeting), 27 (Shareholders' Intervention) and 28 (Right to Information During General Meetings) of Title VI of the Regulations of the General Meetings of Shareholders. Approved with the vote in favour of 99.9232% of the capital present or represented.

3.6. Amendment of articles 31 (Voting on Resolutions) and 36 (Publication of Resolutions) of Title VII of the Regulations of the General Meetings of Shareholders. Approved with the vote in favour of 99.9232% of the capital present or represented.

Four.- Approval, if applicable, of the maximum remuneration for the Company's board of directors. Approved with the vote in favour of 98.3252% of the capital present or represented.

Five.- Approval, if applicable, of the share-based incentive plans for Company directors (including executive directors). Approved with the vote in favour of 96.1633% of the capital present or represented.

Six.- Approval of joining the prevailing tax regime for groups of companies and communication to the taxation authorities. Approved with the vote in favour of 99.9240% of the capital present or represented.

Seven.- Authorisation of the board of directors, with express powers of substitution, for a period of five (5) years, to increase share capital in accordance with article 297.1.b) of the Spanish Companies Act, up to half the share capital at the date of authorisation. Delegation of the right to exclude preferential subscription rights for share capital increases agreed under this authorisation, limited to, together with the same right provided for in point nine of the agenda, a global maximum nominal amount, of twenty percent (20%) of the share capital at the date of authorisation. Approved with the vote in favour of 95.5658% of the capital present or represented.

Eight.- Authorisation of the board of directors, with express powers of substitution, for a period of five (5) years, to issue: a) ordinary bonds or debentures and other fixed-income securities (other than promissory notes) up to a maximum limit of Euros one thousand two hundred million (Euros 1,200,000,000) and b) promissory notes up to a maximum limit each time of Euros four hundred and eighty million (Euros 480,000,000). However, the total debt represented at any one time by securities issued in accordance with subsections (a) and (b) above may not exceed an overall limit of Euros one thousand two hundred million (Euros 1,200,000,000). Authorisation for the Company to guarantee new securities issued by subsidiaries within the limits mentioned above. Approved with the vote in favour of 99.8807% of the capital present or represented.

Nine.- Authorisation of the board of directors, with express powers of substitution, for a period of five (5) years, to issue convertible bonds or debentures which may or may not be exchanged for Company shares or other Group companies' shares, and warrants on new shares issued or already in circulation of the Company or Group companies, up to a maximum limit of Euros four hundred and eighty million (Euros 480,000,000). Establishment of the criteria to determine the bases and means of conversion, exchange or exercise. Delegation to the board of directors, with express powers of substitution, of the necessary powers to establish the bases and means of conversion, exchange or exercise. Also, in the case of convertible bonds or debentures and warrants on newly issued shares, to increase capital in the amount necessary to attend to requests to convert bonds or exercise warrants, with, in the event of issuing convertible or exchangeable securities, the power to exclude preferential subscription rights of Company shareholders, limited, together with the same power provided for in point seven of the agenda, to a maximum global nominal amount equivalent to twenty percent (20%) of the share capital at the date of the authorisation. Approved with the vote in favour of 95.0416% of the capital present or represented.

Ten.- Ratification and approval, if applicable, of the corporate website. Approved with the vote in favour of 99.9233% of the capital present or represented.

Eleven.- Delegation of powers to document and record the resolutions adopted at the general meeting and to deposit the accounts as required by law. Approved with the vote in favour of 99.9233% of the capital present or represented.

Twelve.- Point of consultation: Annual report on the remuneration paid to Company directors. 82.6188% of the capital present or represented voted in favour.

Thirteen.- Informative point: Information on partial amendments to the regulations of the company's board of directors.

E.9 Please specify whether there is any statutory restriction that establishes a minimum number of shares required to attend the General Meeting.

NO

Number of shares required to attend the General Meeting	
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E.10 Please specify and justify the Company's policies with regard to proxy-voting at the General Meeting.

Article 18 of the Regulations of the General Meetings of Shareholders stipulates the following in this respect:

1. Shareholders may take part in general meetings either by attending in person or through another person, who does not have to be a shareholder.
2. The proxy must be granted specifically for each meeting, without prejudice to the provisions of Article 187 of the Spanish Corporate Enterprises Act for cases of family representation and the grant of general powers of attorney.
3. The proxy must be granted in writing, using the delegation form printed on the attendance card or any other permitted by law, or by means of any distance communication methods which adequately guarantee the proxy granted and both the grantor's and the proxy holder's identities.
4. Proxies conferred by distance communication methods shall only be deemed to be valid if they are granted:
 - (a) By post, sending the Company the attendance card, issued by the entity in charge of recording book entries, duly signed and filled in by the shareholder, or by any other written method which, in the opinion of the board of directors according to a previous resolution passed for that purpose, provides adequate guarantee of the proxy granted and of both the grantor's and the proxy holder's identities; or
 - (b) Using electronic communication methods which sufficiently guarantee the proxy granted and both the grantor's and the proxy holder's identities. Proxies granted by these methods shall be valid if the electronic document under which the proxy was granted includes the legally recognised digital signature used by the grantor or any other kind of identification of the shareholder which may be authorised by the board of directors under a prior resolution passed for that purpose, attaching an electronic copy of the attendance card and of the proxy.
5. Proxies granted by any of the above mentioned distance communication methods must be received by the Company at least twenty-four hours (24) prior to the date of the first call to the general meeting. In the event of failure to comply with this timeframe the proxy shall be deemed as not having been granted for the call in question.
6. The board of directors is hereby authorised to bring into effect the above provisions by laying down the rules, means and procedures appropriate to the technique used for instrumenting the granting of proxies via electronic methods, complying with any regulations which may be issued in this respect.
7. If the shareholder represented has issued instructions, the proxy holder shall vote accordingly and shall be obliged to keep these instructions for one year from the date of the corresponding meeting.
8. The proxy-holder may represent more than one shareholder, with no limits as to the number of shareholders he or she may represent. When a proxy-holder represents several shareholders, he or she may cast votes in differing directions in accordance with the instructions given by each shareholder.
9. In all cases the number of shares represented shall be calculated for the purpose of valid assembly of the general meeting.

Additionally article 21 of DIA's by-laws establishes:

1. Any shareholder entitled to attend may be represented at a General Meeting through another person, even if not a shareholder, meeting the requirements and formalities imposed by the by-laws, the regulation of the General Meeting and legislation.
2. A proxy will be conferred in writing or by post or electronic mail, in which case the provisions foreseen in Article 28 herein will apply for the issue of votes through these means, to the extent that this is not incompatible with the nature of the proxy.

3. The Chairman and Secretary of the General Meeting shall have the broadest powers to recognise the validity of the document or the accreditation method used by the proxy.

4. A proxy may always be revoked. Attendance at the General Meeting by the represented shareholder, either in person or by issuing a long-distance vote, will be deemed to revoke the proxy granted, regardless of its date.

E.11 Please state whether the Company is aware of institutional investors' policy for participating or not participating in company decision-making:

NO

E.12 Please specify the address and access route to corporate governance content on the website.

DIA's website is as follows: www.diacorporate.com. To access corporate information, click on Shareholders & Investors then Corporate Governance

F – EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Please specify the Company's level of compliance with recommendations from the Unified Good Governance Code. Where the Company fails to comply with any of these, explain the recommendations, rules, practices or criteria used by the Company.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;

- b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
- c) Operations that effectively add up to the company's liquidation.

Complies

4. Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;
- b) Changes to the bylaws, with votes taken on all articles or group of articles that are materially different.

See section: E.8

Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The board should see the core components of its mission as to approve the company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

- a) The company's general policies and strategies, and, in particular:
 - i) The strategic or business plans, management targets and annual budgets;
 - ii) Investment and financing policy;
 - iii) Design of the structure of the corporate group;
 - iv) Corporate governance policy;
 - v) Corporate social responsibility policy;
 - vi) Remuneration and evaluation of senior officers;
 - vii) Risk control and management, and the periodic monitoring of internal information and control systems.

viii) Dividend policy, as well as the policies and limits applying to treasury stock.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See section: B.1.14

ii) Directors' remuneration, and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.

See section: B.1.14

iii) The financial information that all listed companies must periodically disclose.

iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;

v) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
2. They go through at market rates, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Complies

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14

Complies

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See section: B.1.3

Complies

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.

2. In companies with a plurality of shareholders represented on the board but not otherwise related.

See sections: B.1.3, A.2 and A.3

Complies

13. The number of independent directors should represent at least one third of all board members.

See section: B.1.3

Complies

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The Report should also disclose the reasons for the appointment of proprietary directors at the request of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See sections: B.1.3 and B.1.4

Complies

15. When women directors are few or non-existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

a) The process of filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections: B.1.2, B.1.27 and B.2.3

Complies

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant committees.

See section: B.1.42

Complies

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.

See section: B.1.21

Not applicable

18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to. In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

See section: B.1.34

Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29

Complies

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 and B.1.30

Complies

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Not applicable

22. The board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the board's operation;
- b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by the same.

See section: B.1.19

Complies

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.42

Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: B.1.41

Complies

25. Companies should organise induction courses for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;
- b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Complies

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:

- a) On the proposal of the Nomination Committee, in the case of independent directors.
- b) Subject to a report from the Nomination Committee in all other cases.

See sections: B.1.2

Complies

28. Companies should post the following director particulars on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise;
- c) An indication of the director's classification as executive, proprietary or independent; In the case of proprietary directors, stating the shareholder they represent or have links with.
- d) The date of their first and subsequent appointments as a company director; and;
- e) Shares held in the company and any options on the same.

Complies

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See sections: B.1.2

Complies

30. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and B.1.2

Complies

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the capital structure of the company, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Act, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

Complies

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might harm the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary of the board, director or otherwise.

Complies

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Not applicable

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

- a) The amount of the fixed components, itemised where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to;
- b) Variable components, in particular:
 - i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items;
 - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
 - iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and
 - iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.
- c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.
- d) The conditions to apply to the contracts of executive directors exercising senior management functions. Among them:
 - i) Duration;
 - ii) Notice periods; and
 - iii) Any other clauses covering hiring bonuses, as well as indemnities or "golden parachutes" in the event of early termination of the contractual relation between company and executive director.

See section: B.1.15

Complies

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3 and B.1.3

Complies

37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Complies

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Not applicable

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies

40. The Board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be provided to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year, with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section: B.1.16

Complies

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

a) A breakdown of the compensation obtained by each company director, to include where appropriate:

- i) Participation and attendance fees and other fixed director payments;
- ii) Additional compensation for acting as chairman or member of a board committee;
- iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
- iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;
- v) Any severance packages agreed or paid;
- vi) Any compensation they receive as directors of other companies in the group;
- vii) The remuneration executive directors receive in respect of their senior management posts; viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be considered a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:

- i) Number of shares or options awarded in the year, and the terms set for their execution;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
- c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Partially complies

The remuneration received by each individual director is disclosed in the notes to the annual accounts. The other points specified in this recommendation are disclosed in the 2012 Annual Director Remuneration Report, which has been approved by the board of directors and submitted to the shareholders, who will hold an advisory vote on its contents at their General Meeting.

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: B.2.1 and B.2.6

Not applicable

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

Not applicable

44. In addition to the Audit Committee mandatory under the Securities Market Act, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

- a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;
- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.
- c) Committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy sent to all board members.

See sections: B.2.1 and B.2.3

Complies

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

Complies

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation, and submit an activities report at the end of each year.

Complies

49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See section: D

Complies

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

- a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms of his engagement.

- b) Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.
- c) Monitor the independence of the external auditor, to which end:
 - i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;
 - iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.
- d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Partially complies

Given its notably international nature, the Group's internal regulations do not state that the Audit and Compliance Committee is specifically responsible for urging the Group auditor to take on the audit of its component companies as recommended in section 2 d). Although the Company and the Committee follow a policy of selecting an external auditor that complies with the strictest standards of quality, professionalism and independence in each of the countries in which DIA operates, in practice the DIA Group auditor does not currently audit all of the components of the DIA Group.

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

- a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

Complies

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: B.1.38

Complies

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See section: B.2.1

Complies

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

Partially complies

Internal regulations do not expressly specify that the Appointment and Remuneration Committee should examine or organise the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner (point b) of this recommendation).

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Complies

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Make proposals to the Board of Directors regarding:
 - i) The remuneration policy for directors and senior officers;
 - ii) The individual remuneration and other contractual conditions of executive directors. iii) The standard conditions for senior officer employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14 and B.2.3

Complies

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies

G - FURTHER INFORMATION OF INTEREST

If you consider that any relevant aspects or principles relating to the corporate governance procedures applied by your Company have not been dealt with in this report, please provide details below.

SECTION A.2

The information set forth in this section is included in the official registry of significant shareholders held by the Spanish National Securities Market Commission (CNMV). The following points are notable in relation to this information:

(i) Groupe Arnault, S.A.S., Colony Blue Investor, S.A.R.L. and Blue Capital, S.A.R.L. have filed notice that they exercise their voting rights in DIA by virtue of a joint verbal agreement. Blue Capital, S.A.R.L. owns 64,047,813 DIA shares and Colony Blue Investor, S.A.R.L. owns 1 DIA share.

Colony Investors VIII, L.P. owns 75% of C8 Blue Holding, LLC, which in turn owns: (i) 50% of Blue Partners, S.A.R.L. - in turn the owner of 50% of Blue Capital S.A.R.L. – and (ii) 100% of Colony Blue Investor S.A.R.L.

Colyzeo Investors II, L.P. owns 100% of Cz2 Blue S.A.R.L., which in turn owns 50% of Blue Partners, S.A.R.L., in turn the holder of a 50% stake in Blue Capital S.A.R.L.

Groupe Arnault, S.A.S. is the indirect owner of 95% of Cervinia S.A. (a Belgian company) which in turn owns 50% of Blue Capital, S.A.R.L.

(ii) Baillie Gifford Co has declared that the 20,402,234 shares disclosed in this section are held by various different entities and through split client accounts managed either by Baillie Gifford Co or by entities that it controls.

(iii) On 31 January 2013 Blackrock Inc. informed the CNMV that it had acquired shares representing 3.002% of DIA's share capital through the company Blackrock Investment Management (UK) Limited.

SECTION A.3

Mr Cuilleret has also declared that his spouse holds 34,580 DIA shares.

SECTION A.5

DIA and Carrefour have maintained commercial and contractual relations throughout 2012 (both those resulting from the transition following the spin-off of DIA from the Carrefour Group, and others arising in the Company's normal course of business). Groupe Arnault, S.A.S., Colony Blue Investor, S.A.R.L. and Blue Capital, S.A.R.L. have significant shareholdings in both DIA and Carrefour.

SECTION A.8

The board of directors approved the Company's own share policy at a meeting held on 27 July 2011, assuming non-delegable responsibility for setting own share policies within the powers vested in it by the shareholders, in accordance with Section 5.4 a) ix) of the Board Regulations.

Article 10.2 of the Internal Code of Conduct for Stock Exchange Matters specifies that the board of directors of the Company is responsible for setting the own share policy, in particular – and notwithstanding any powers it may delegate to execute this policy – issuing instructions to carry out own share transactions.

Subsequently, through a written resolution in lieu of a meeting issued on 7 June 2012, the board of directors authorised the Finance Department – and in particular the Chief Executive Officer, Chief Financial Officer and Corporate Executive Director – to carry out a derivative acquisition of shares representing up to 1% of DIA's share capital.

Other transactions during the year (and prior to the reporting date) included the transfer of 115,622 shares to the Company's directors and senior management personnel as remuneration.

Consequently, the number of own shares of the Company at the end of the year stood at 20,178,722.

Moreover, the “date of announcement” column in the “significant changes” table in this section shows the date on which Annex VI, Notification of Transactions Carried out in Own Shares, was filed with the CNMV. The gain on own shares disclosed in section A8 is expressed in thousands of Euros.

In 2011, the Company signed a contract with Société Générale whereby the latter undertook to purchase up to 13,586,720 shares in the Company. The full number of shares had been purchased by January 2012 through the equity swap signed between the parties, and Société Générale now holds an indirect stake of 2% of the Parent’s share capital.

Under the terms of this equity swap contract, Société Générale had purchased 13,586,720 shares, representing 2% of DIA’s share capital, by the 2012 reporting date.

In January 2013 the parties renewed this equity swap for 2013 and 2014 and amended its terms, specifying that settlement would be share-based.

SECTION B.1.8

Mr Nicolás Brunel is a director of IsCool Entertainment, a French company that is traded on the unregulated Alternext market.

SECTION B.1.11

At a general meeting held on 13 June 2012, the shareholders resolved that the annual remuneration received by DIA board would be capped at one and a half million Euros (Euros 1,500,000), which the board could distribute among its members as it saw fit, considering aspects such as the duties and responsibilities held by each director on the board itself or in its committees. At the same meeting, the shareholders agreed that the remuneration for 2012 would be paid 50% in cash and the remaining 50% in Company shares.

Nevertheless, the board agreed the maximum remuneration received by the directors for 2012 would not exceed one million Euros (Euros 1,000,000).

The figures included in this section show the remuneration accrued by Mr Ricardo Currás for his senior management duties within the Company, as Mr Currás received no remuneration in his capacity as board member in 2012. Specifically, the items disclosed as fixed remuneration, variable remuneration and other (insurance premiums) relate to the Managing Director’s executive duties as a member of senior management.

Mr Currás’s variable remuneration shown in this section, which amounts to Euros 342 thousand (the same figure shown in the Company’s annual accounts), relates to the variable remuneration estimated for Mr Currás at 31 December 2012, which was finally set at Euros 384 thousand for 2012.

It is hereby also noted that Mr Ricardo Currás, as an executive director of the Company, is a beneficiary of the long-term incentive plan for the 2011-2014 period, which has been approved by the shareholders and filed with the CNMV as price-sensitive information. The purpose of this Plan is to award share-settled variable remuneration based on the achievement of certain business targets and indicators relating to the Company’s share price.

SECTION B.1.12

Following the Unified Good Governance Code of Listed Companies, the Company considers senior officers to be any members of its executive staff reporting directly to the board or the chief executive of DIA, including, in any event, the internal auditor.

SECTION B.1.13

Two members of DIA's senior management accrued benefits of this nature under the terms described below at 31 December 2012.

Should the Company decide to terminate their contracts and end the professional relationship and any other contractual relation, for any reason other than dismissal with cause for disciplinary reasons, these directors are entitled to respective compensation equivalent to:

- In the first case, forty-five days' pay per year of service (for the period from 24 November 1986 to 30 April 2009), plus eight days' salary per year of service (for the period from 1 May 2009 onwards).

- In the second case, five hundred and forty-eight days' salary, plus eight days' salary per year of service.

In both cases, this compensation is limited to gross annual salary of each of the beneficiaries (for clarification, gross annual salary is understood to be basic salary plus the most recent bonus paid, excluding payments in kind, sign-on bonuses, long-term remuneration, capital gains, income from receipt or exercise of share options or share bonuses, or any other similar benefits).

The information provided to the shareholders at the general meeting regarding this type of clause is included in the appendix to this report, which sets forth the information required by article 61 bis of the Securities Market Act.

SECTION B.1.17

Ms Ana María Llopis sits on the board of directors of Société Générale and holds shares in this institution. Admundi, which was a significant shareholder until 16 November 2012, is owned 25% by Société Générale and 75% by Credit Agricole.

SECTION B.1.21

Even though the Managing Director is not the chairman of the board of directors, it is hereby noted that article 10 of the board regulations establishes that should the Company chairman also be the Company CEO, (this is not currently the case), an independent director proposed by the Appointment and Remuneration Committee should be empowered to request the calling of board meetings or the inclusion of new business on the agenda when deemed appropriate; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the chairman.

SECTION B.1.34

The secretary to the Company's board of directors, Mr Ramiro Rivera Romero, was appointed before the Appointments and Remuneration committee was created.

SECTION B.1.37

The auditors' fees referred to in this report in relation to audit and non-audit services rendered to the DIA Group during 2012 amounted to Euros 1,180 thousand (net of VAT). The auditors' fees for non-audit services provided to the DIA Group in 2012 amounted to Euros 323 thousand (net of VAT), representing 27.38% of total Group fees. Of this Euros 323 thousand, Euros 222 thousand reflects amounts accrued by the Company for these services (essentially relating to ICFR improvements and advice on corporate transactions).

SECTION B.1.39

To calculate the number of consecutive years for which the present auditor has audited the Company's accounts, we took as the starting date the year in which the firm was first entered into the registry as DIA's auditor (1992).

SECTION C.2

No significant transactions involving the transfer of resources and obligations between the Company or Group companies and significant shareholders in the Company have taken place, with the exception of ordinary trade between the Company and Carrefour (Groupe Arnault, S.A.S., Colony Blue Investor, S.A.R.L. and Blue Capital, S.A.R.L. are major shareholders in both).

SECTION C.4

Trade operations totalling Euros 36,107 thousand have been carried out with the Group's associates in France and with Bladis SAS. The credit and debit balances associated with these transactions and shown on the statements of financial position amount to Euros 4,449 thousand and Euros 4,533 thousand, respectively, at the end of 2012.

Additionally, for supplementary information on section C (related party transactions), please see note 23 to DIA's consolidated annual accounts for 2012.

SECTION D.2

Certain risks inherent to DIA's business and/or management model have materialised but with no material impact. These risks are inherent to the business model, and their appearance may affect DIA's business to a greater or lesser degree. However, as the control systems are functioning properly, none of these risks has affected the Company significantly.

This section can be used to provide any other information, explanations or clarifications relating to previous sections of the report, provided that such information is relevant and not repeated elsewhere.

Specifically, indicate whether the Company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

Binding definition of an independent director:

Indicate whether any independent director has, or has had in the past, a relationship with the Company, its significant shareholders or management personnel. If the relationship is/was significant, state whether it would mean that the director cannot be considered independent under the definition provided in section 5 of the Unified Good Governance Code:

NO

Signature and date:

This annual corporate governance report has been approved by the board of directors of the Company in the meeting held on

20/02/2013

Indicate whether any board members voted against or abstained from voting on this report.

NO