



**REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY “DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.” REGARDING THE RATIONALE FOR THE PROPOSAL OF THE SETTING THE NUMBER OF DIRECTORS AND RATIFICATION AND RE-ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS INCLUDED IN ITEM TWO ON THE AGENDA FOR THE GENERAL SHAREHOLDERS’ MEETING CALLED FOR 19 AND 20 MARCH 2019, ON FIRST AND SECOND CALL, RESPECTIVELY**

**I. Purpose of the report**

This report is prepared by the Board of Directors of “Distribuidora Internacional de Alimentación, S.A.” (“**DIA**” or the “**Company**”) in compliance with the provisions of paragraph 5 of article 529 *decies* of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Companies Act (*Ley de Sociedades de Capital*) (the “**Spanish Companies Act**”), in order to assess the competence, experience and merits of the persons whose appointment is proposed, and, particularly, the proposals for the ratification and re-election of Mr. Jaime García-Legaz and Mr. Miguel Ángel Iglesias (collectively, the “**Candidates**”) as directors of the Company.

Furthermore, this report assesses the proposal submitted to the General Meeting for the purpose of setting at ten (10) the number of DIA’s directors, within the threshold of the Recommendation 13 of the Code of Good Governance for publicly traded companies and the legal maximum regulated in the article 32 of the Articles of Association.

When drafting this report and the subsequent proposals for the ratification and re-election, pursuant to article 19.2 of the Regulations of the Board of Directors, the guidelines in the Company’s Directors Selection Policy, approved by the Company on 11 December 2015, have been followed.

The proposed classification for Candidates will be as follows:

- Mr. Jaime García-Legaz as “independent Director”.
- Mr. Miguel Ángel Iglesias as “executive Director”.

In accordance with the foregoing, the individual assessment by the Board of Directors of the competence, experience and merits of both Candidates and their suitability to perform their duties as directors of DIA, in light of the proposal and report (**Annex I and II**) formulated by the Nominations and Remunerations Committee, pursuant to paragraphs 5 and 6 of article 529 *decies* of the Spanish Companies Act, which the Board endorses in its entirety, is set out in section III below.

In addition, in order to comply with the requirements of article 518.e) of the Spanish Companies Act, this report also provides full information on the identity, curriculum vitae and category to which the Candidates belong.



## **II. Rationale for the proposal of the setting at ten (10) the number of Directors**

The General Shareholders' Meeting of DIA dated 20 April 2018 set (within the limits established in the Articles of Association) at twelve (12) the number of members of the Board of Directors, number that has not been modified by the General Meeting to date. Since then several directors have resigned, having these circumstances been disclosed to the public by the corresponding communications (relevant facts) to the CNMV. The referred resignations have resulted in that, to date, three positions of the Board of Directors remain vacant.

The Board of Directors, following the Nominations and Remunerations Committee's recommendation, has analysed the convenience of proposing a reduction in the number of Directors comprising the Board of Directors of the Company.

In the opinion of the Board of Directors, setting at ten (10) the number of Directors will further contribute to facilitate the performance of this body and, at the same time, maintain the required level of qualifications, skills, knowledge and experience of the Board of Directors. In this sense, the Board of Directors had ten (10) members since its initial public offering in 2011 until last year, in which an increase in two (2) additional members by the reasons described then was approved by the General Meeting.

The proposal now being submitted to the General Meeting will maintain the high level of independence of the Board of Directors. The current number of independent directors would allow compliance with the recommendation by virtue of which at least half of board members shall be independent directors. At the same time, the proposed size allows for an efficient performance and the active involvement of all the directors (facilitating its dialogue and interaction), thus providing greater flexibility in decision-making process.

Therefore, the proposal upholds the principles of article 10 of the Regulations of the Board of Directors regarding a balanced composition of the Board, provided that, with the current composition and assuming the re-election of the proposed Candidates, (a) the external non-executive directors would continue representing a large majority of the Board, and (b) the independent directors would continue representing at least half of the members of the Board.

For these reasons, the Board of Directors understands that ten (10) members is an appropriate number of Directors of the Company in the current circumstances, which implies the definitive elimination of two (2) unfilled vacancies, leaving one pending to be filled.

Notwithstanding the right of the General Meeting to fill the aforementioned vacancy at its choice in this session, the Board of Directors intends to otherwise fill the vacancy afterwards by appointing a new independent director (or another category if circumstances require so). The Board of Directors will carry out the necessary actions to promptly identify the candidate who complies with the appropriate conditions. It is planned that his/her appointment as director will be carried out by the Board of Directors on an interim basis ("*cooptación*") as legally permitted, being subsequently submitted for ratification to the first General Meeting to be held after his/her appointment.

In accordance with the foregoing, the Company's Board of Directors deems appropriate to



propose to the Annual General Shareholders' Meeting the setting of the number of members of the Board of Directors to ten (10).

### **III. Rationale for the proposal of ratification and re-election of two new Directors**

#### **A. Mr. Jaime García-Legaz**

##### **1. Background and education**

Mr Jaime García-Legaz Ponce was born on 11 June 1968. He holds a Degree in Business Administration from the University College of Financing Studies (CUNEF). In addition, Mr. García-Legaz holds a PHD in Economics from the Madrid Complutense University. He is a Commercial Technician (*Técnico Comercial*) and State Economist the State since 1994.

##### **2. Noteworthy professional experience for the holding of the Candidate's positions at the Company**

Mr. García-Legaz has mainly developed his career in the public sector. He started his professional career at CajaMurcia, as a manager. After that, he was a junior economist at the Bank of Spain and Financial Regulation Director (1993-1995) and Public Debt Director (1993-1999) the Directorate General of the Treasury and Financial Policy.

Between 1999 and 2000 he was Economic Advisor of the Government Presidency, between 2000 and 2002, he was Director of the cabinet of the Secretary of Telecom and between 2002 and 2004, he was a member of the President's Cabinet as General Director of Welfare and Education.

From 2004 to 2008, he was Director of Economics and Politics in the FAES Foundation and Managing Director of Statistics at the Government of the Region of Madrid. He has also been member of the Spanish National Parliament (*Congreso*) (2008-2012), where he assumed the Secretary of the Economic Affairs and Finance from 2008 until 2011. In addition, between 2005 and 2008 he was advisor for the Brazilian Chamber of Commerce.

Between 2011 and 2015, he worked for the Ministry of Economic Affairs in the following positions: Spanish Commerce Representative in the European Union and in the G-20 Council of Ministers and Secretary of State for Commerce, International Commerce and Foreign Investment.

During that period, he was also Executive Chairperson of "Invest in Spain" (2011-2012) and Chairperson of ICEX (2011-2015). Between 2015 and 2017, he was the Executive Chairperson of CESCE, the Chairperson of the International Credit Insurance Consortium and the Chairperson of the Informa Dun & Bradstreet.

Finally, between 2017 and 2018 he was Chairperson and CEO of AENA, SME, S.A.

Mr. García-Legaz was appointed director of the Company on an interim basis ("*cooptación*") by means of a Board of Director's resolution, upon the proposal of the Nominations and Remunerations Committee, dated 28 December 2018. He accepted his appointment on 10 January 2019. Thus, this proposal is now to be submitted to the next Shareholders' General



Meeting for ratification, as detailed.

### **3. Membership of other boards of directors**

Currently, Mr. García-Legaz is a member of the Board of Directors of AENA DESARROLLO INTERNACIONAL, SME, S.A.

### **4. Category**

Mr. Jaime García-Legaz has been proposed for his personal and professional qualities, being in a position to perform his duties without being influenced by any connection with the Company, its significant shareholders or its management. Consequently, the Board of Directors has confirmed with the candidate that he meets the requirements set forth in paragraph 4 of article 529 *duodecies* of the Spanish Companies Act and in article 20 of the Board's Regulation, and thus he will qualify as independent director.

### **5. Shares of the Company and derivative financial instruments, whose underlying assets are shares of the Company, the Candidate is a holder of**

As declared by Mr. García-Legaz, he does not hold any shares, financial derivative instruments which have shares of the Company as their underlying asset and does not have any ties with holders of significant interests in the Company's share capital.

### **6. Requirements for appointment**

The Board of Directors has verified that Mr. Jaime García-Legaz meets the requirements of respectability, capability, expertise, experience and commitment as required to perform his duties as independent director of the Company's Board of Directors.

Specifically, the Board of Directors believes that, in the particular case of Mr. García-Legaz, and in order to be able to properly exercise his supervisory and control duties over the DIA Group, the candidate must appropriately combine sufficient qualifications, experience and skills in the following areas:

- (a) markets, both national and international, in which DIA operates;
- (b) economic and financial aspects, management of highly skilled human resources and legal and regulatory frameworks;
- (c) strong record of creating shareholder value;
- (d) corporate governance regulations, best practices and recommendations;
- (e) strong and proven international strategic business vision;
- (f) experience in management, leadership, and business strategy at the highest level;
- (g) maximum level of ethics, representation and respect from the general business community; and
- (h) maximum level of loyalty, commitment and enough dedication to the Company's project.

The Board of Directors understands that Mr. García-Legaz meets all these requirements.

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The Board has also confirmed with Mr. García-Legaz that he does not incur, directly or indirectly, in any legal or internal incompatibility, prohibition or conflict of interests as stated in the applicable regulations and the DIA's internal rules.

It has been also verified that, according to the information provided by Mr. García-Legaz, he is not a member in more Boards of Directors than allowed by DIA's internal regulations, as provided in article 19.6 of the Board of Directors' Regulation.

In relation to the assessment of the work and effective time devoted from its incorporation in January 2019 and until today, his adequate performance has been noted, as well as his assistance and informed participation to the Board of Directors' and Audit and Compliance Committee meetings.

## **7. Conclusion**

From the information provided, the Board of Directors has verified that Mr. Jaime García-Legaz meets the requirements of respectability, capability, expertise and achievements to perform his duties as director of the Company's Board of Directors. As a consequence, the Board of Directors proposes the ratification and re-election of Mr. Jaime García-Legaz as independent Director upon proposal by the Nominations and Remunerations Committee.

### **B. Mr. Miguel Ángel Iglesias**

#### **1. Background and education**

Mr. Miguel Ángel Iglesias, born in Spain in 1965, is a law graduate from the Universidad Complutense de Madrid and he holds a Master's Degree in Legal Practice from the Centro de Estudios Financieros and a Diploma in Labour Law from the School of Legal Practice of the Universidad Complutense de Madrid.

#### **2. Noteworthy professional experience for the holding of the Candidate's positions at the Company**

Mr. Iglesias joined DIA in 1990 and, after serving in the area of Expansion, became the DIA Spain Legal and Labour Relations Consultancy Manager.

In 2005 he was appointed DIA Group's General Counsel and, since 2011, he is the Vicesecretary to the Board of Directors of DIA and the Secretary to the Board of its subsidiaries in Spain. He is also responsible for the areas of Compliance and Insurance of the Group.

In October 2018, he has been appointed Corporate Secretary, having therefore under his responsibility the areas of Legal, Corporate Governance and Compliance, Insurances, Assets security, Information Technology and Financial Information Internal Control System.

Mr. Iglesias has been the reference advisor and coordinator of all strategic transactions carried out by DIA Group, including the listing of the Company in 2011. He was also the driving force behind the approval of the first DIA group Ethical Code.

Mr. Iglesias was appointed director of the Company on an interim basis ("*cooptación*") by means of a Board of Director's resolution, upon favourable report from the Nominations and



Remunerations Committee, dated 28 December 2018. Thus, this proposal is now to be submitted to the next Shareholders' General Meeting for ratification, as detailed.

### **3. Membership of other boards of directors**

Mr. Iglesias is currently not a member of any board of directors.

### **4. Category**

Mr. Miguel Ángel Iglesias has been proposed as a director of the Company for his personal and professional qualities being in a position to perform executive duties in the Group in the aforementioned terms. Consequently, he shall qualify as executive director since, according to the information received, meets the requirements set forth in paragraph 1 of article 529 duodecies of the Spanish Companies Act and in article 9.1.(a) of the Board's Regulations.

### **5. Shares of the Company and derivative financial instruments, whose underlying assets are shares of the Company, the Candidate is a holder of**

As declared by Mr. Iglesias, he directly holds a 0,010% of voting rights attached to shares that may be acquired if the financial derivative instrument is exercised, according to article 13(1)(a) of Directive 2004/109/EC and articles 28.1a) and 31 of the Royal Decree 1362/2007.

### **6. Requirements for the appointment**

It is considered that the curriculum vitae, the professional experience and the positions held by Mr Miguel Ángel Iglesias certify that he meets the requirements of education and professional qualification, competence and experience for the position of executive director of the Board of Directors of the Company.

Specifically, it is believed that, in the particular case of Mr Iglesias, in order to be able to properly perform his duties as executive director with respect to DIA Group, the candidate appropriately combines sufficient qualifications, skills and experience in the following areas:

- (a) broad experience in regulatory compliance, as a result of his leadership in the corresponding departments of the Group, both at Ethics Committees level and in compliance;
- (b) knowledge of the sectors and markets, both in Spain and abroad, where DIA operates, having led the Group in the legal assessment of several strategic operations;
- (c) knowledge of the internal structure of the Group, due to his many years of experience (since 1990) and his different responsibilities and functions during his years at the Company (expansion, labour relationships, legal advice, etc.)
- (d) sufficient knowledge of the economic and financial factors, management of the highly-qualified human resources, and the regulatory frameworks and standards;
- (e) membership of the Board of Directors of the different subsidiaries of the Company;
- (f) highest internal level in terms of ethics and personal integrity and solvency; and
- (g) highest level of self-commitment with the goals of the Company.

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The Board of Directors understands that Mr. Iglesias meets these requirements due to his outstanding knowledge and his wide professional and practical experience, having verified his professional quality, supported by the successes achieved during his career in different positions within the organization.

It has also been confirmed, through his statements and the relevant interviews carried out with different Directors, that he does not incur, directly or indirectly, in any legal or internal incompatibility, prohibition, conflict or opposition to the Company's interests as stated in the applicable general regulations or DIA internal rules.

Lastly, it has also been verified that, according to the information provided by Mr Iglesias, he does not exceed the maximum number of boards of directors of which he may be a member pursuant to article 19.6 of the Regulations of the Board of Directors.

In relation to the assessment of the work and effective time devoted from its incorporation in December 2018 and until today, his adequate performance has been noted, as well as his assistance and informed participation to the Board of Directors' meetings.

## **7. Conclusion**

From the information received it can be inferred that Mr. Miguel Ángel Iglesias has the required competence, experience and merits to perform the duties of his position. Accordingly, the Board of Directors proposes the ratification and re-election of Mr. Miguel Ángel Iglesias as executive director, upon favourable report from the Nominations and Remunerations Committee.

## **IV. Conclusion**

The information received shows that the Candidates have the required qualifications, experience and merits to discharge the duties of their positions. The Board considers that the appointment of the Candidates allows that the Board of Directors still be diverse and plural regarding the education, expertise, culture and internationality of its members, while maintaining a balanced composition, structure and size according to its current and future needs.

Therefore, the Board submits the corresponding proposals of ratification and re-election of Mr. Jaime García-Legaz and Mr. Miguel Ángel Iglesias.

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Madrid, 15 February 2019

## ANNEX I

### MOTIVATED PROPOSAL FROM THE NOMINATIONS AND REMUNERATIONS COMMITTEE

#### Report of the Nominations and Remunerations Committee of Distribuidora Internacional de Alimentación S.A. submitting to the Board of Directors the proposal for the ratification and/or re-election of an independent Director

This report is issued in compliance with the provisions of article 529 *decies* of the Spanish Companies Act and its purpose is to propose to the Board of Directors the ratification and re-election of an “independent director”.

Pursuant to the aforementioned paragraph of the Spanish Companies Act, the proposal for appointment, re-election or ratification of Directors made by the Board of Directors must be accompanied by a proposal or a favourable report made by the Nominations and Remunerations Committee, as appropriate.

The Nominations and Remunerations Committee believes that, in order to be able to properly perform his supervisory and control duties over DIA group, the candidate must appropriately combine sufficient qualifications, skills and experience.

It is therefore proposed to ratify and re-elect Mr. Jaime García Legaz with the category of independent Director.

Below is the detailed report on the candidate:

#### **1. Background and education**

Mr Jaime García-Legaz Ponce was born on 11 June 1968. He holds a Degree in Business Administration from the University College of Financing Studies (CUNEF). In addition, Mr. García-Legaz holds a PHD in Economics from the Madrid Complutense University. He is a Commercial Technician (*Técnico Comercial*) and State Economist the State since 1994.

#### **2. Noteworthy professional experience for the holding of the Candidate’s positions at the Company**

Mr. García-Legaz has mainly developed his career in the public sector. He started his professional career at CajaMurcia, as a manager. After that, he was a junior economist at the Bank of Spain and Financial Regulation Director (1993-1995) and Public Debt Director (1993-1999) the Directorate General of the Treasury and Financial Policy.

Between 1999 and 2000 he was Economic Advisor of the Government Presidency, between 2000 and 2002, he was Director of the cabinet of the Secretary of Telecom and between 2002 and 2004, he was a member of the President’s Cabinet as General Director of Welfare and Education.

From 2004 to 2008, he was Director of Economics and Politics in the FAES Foundation and Managing Director of Statistics at the Government of the Region of Madrid. He has also been member of the Spanish National Parliament (*Congreso*) (2008-2012), where he assumed the Secretary of the Economic Affairs and Finance from 2008 until 2011. In addition, between 2005 and 2008 he was advisor for the Brazilian Chamber of Commerce.

Between 2011 and 2015, he worked for the Ministry of Economic Affairs in the following

positions: Spanish Commerce Representative in the European Union and in the G-20 Council of Ministers and Secretary of State for Commerce, International Commerce and Foreign Investment.

During that period, he was also Executive Chairperson of “Invest in Spain” (2011-2012) and Chairperson of ICEX (2011-2015). Between 2015 and 2017, he was the Executive Chairperson of CESCE, the Chairperson of the International Credit Insurance Consortium and the Chairperson of the Informa Dun & Bradstreet.

Finally, between 2017 and 2018 he was Chairperson and CEO of AENA, SME, S.A.

### **3. Membership of other boards of directors**

Currently, Mr. García-Legaz is a member of the Board of Directors of AENA DESARROLLO INTERNACIONAL, SME, S.A.

### **4. Category**

Mr. Jaime García-Legaz has been proposed for his personal and professional qualities, being in a position to perform his duties without being influenced by any connection with the Company, its significant shareholders or its management. Consequently, the Board of Directors has confirmed with the candidate that he meets the requirements set forth in paragraph 4 of article 529 *duodecies* of the Spanish Companies Act and in article 20 of the Board’s Regulation, and thus he will qualify as independent director.

### **5. Shares of the Company and derivative financial instruments, whose underlying assets are shares of the Company, the Candidate is a holder of**

As declared by Mr. García-Legaz, he does not hold any shares, financial derivative instruments which have shares of the Company as their underlying asset and does not have any ties with holders of significant interests in the Company’s share capital.

### **6. Requirements for appointment**

The Board of Directors has verified that Mr. Jaime García-Legaz meets the requirements of respectability, capability, expertise, experience and commitment as required to perform his duties as independent director of the Company’s Board of Directors.

Specifically, the Board of Directors believes that, in the particular case of Mr. García-Legaz, and in order to be able to properly exercise his supervisory and control duties over the DIA Group, the candidate must appropriately combine sufficient qualifications, experience and skills in the following areas:

- (a) markets, both national and international, in which DIA operates;
- (b) economic and financial aspects, management of highly skilled human resources and legal and regulatory frameworks;
- (c) strong record of creating shareholder value;
- (d) corporate governance regulations, best practices and recommendations;
- (e) strong and proven international strategic business vision;
- (f) experience in management, leadership, and business strategy at the highest level;

- (g) maximum level of ethics, representation and respect from the general business community; and
- (h) maximum level of loyalty, commitment and enough dedication to the Company's project.

The Board of Directors understands that Mr. García-Legaz meets all these requirements.

The Board has also confirmed with Mr. García-Legaz that he does not incur, directly or indirectly, in any legal or internal incompatibility, prohibition or conflict of interests as stated in the applicable regulations and the DIA's internal rules.

It has been also verified that, according to the information provided by Mr. García-Legaz, he is not a member in more Boards of Directors than allowed by DIA's internal regulations, as provided in article 19.6 of the Board of Directors' Regulation.

## **7. Conclusion**

From the information provided, the Nominations and Remunerations Committee has verified that Mr. Jaime García-Legaz meets the requirements of respectability, capability, expertise and merits to perform his duties as director of the Company's Board of Directors. As a consequence, the Nominations and Remunerations Committee submits to the Board the proposal of ratification and re-election of Mr. Jaime García-Legaz as independent Director in the next General Shareholders Meeting of the Company.

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## ANNEX II

### FAVOURABLE REPORT FROM THE NOMINATIONS AND REMUNERATIONS COMMITTEE

#### **Report of the Nominations and Remunerations Committee of Distribuidora Internacional de Alimentación S.A. favourably assessing the proposal of the Board of Directors for the ratification and re-election of an executive Director**

This report is issued in compliance with the provisions of article 529 decies of the Spanish Companies Act and its purpose is to favourably report to the Board of Directors in connection with the ratification and re-election of a director classified as “executive director”, which would have to be submitted to the shareholders for approval at the next Annual General Shareholders’ Meeting.

Pursuant to the aforementioned article of the Spanish Companies Act, the proposal for appointment, re-election or ratification of Directors made by the Board of Directors must be accompanied by a proposal or a favourable report made by the Nominations and Remunerations Committee, as appropriate.

The Nominations and Remunerations Committee believes that the candidate must appropriately combine sufficient qualifications, skills and experience in the following areas:

- (a) the domestic and international sectors and markets in which DIA does business;
- (b) economic and financial matters, management of highly qualified human resources and legal and regulatory frameworks;
- (c) strong record of creating shareholder value;
- (d) absence of conflict of interest and availability of time to attend at least eight meetings per year in Spain;:
- (e) strong international strategic business vision;
- (f) experience as a Director in management, leadership and corporate strategy;
- (g) the highest level of ethics, representation and respect for the business community in general; and
- (h) the highest level of loyalty, commitment and sufficient dedication to the Company’s project.

On the basis of the current competency matrix of the Board, it is deemed appropriate to ratify and re-elect the person subject of this report, also taking into account the review included herein on the evaluation of his performance and effective dedication.

Pursuant to article 34 of the Articles of Association, the term of office of Directors shall be three years, and they may be re-elected for periods of equal duration.

This Committee therefore reports favourably on the ratification and re-election of Mr. Miguel Ángel Iglesias as Director of DIA for such term.

Below is the detailed report on the director:

### **1. Background and education**

Mr. Miguel Ángel Iglesias, born in Spain in 1965, is a law graduate from the Universidad Complutense de Madrid and he holds a Master's Degree in Legal Practice from the Centro de Estudios Financieros and a Diploma in Labour Law from the School of Legal Practice of the Universidad Complutense de Madrid.

### **2. Noteworthy professional experience for the holding of the Candidate's positions at the Company**

Mr. Iglesias joined DIA in 1990 and, after serving in the area of Expansion, became the DIA Spain Legal and Labour Relations Consultancy Manager.

In 2005 he was appointed DIA Group's General Counsel and, since 2011, he is the Vicesecretary to the Board of Directors of DIA and the Secretary to the Board of its subsidiaries in Spain. He is also responsible for the areas of Compliance and Insurance of the Group.

In October 2018, he has been appointed Corporate Secretary, having therefore under his responsibility the areas of Legal, Corporate Governance and Compliance, Insurances, Assets security, Information Technology and Financial Information Internal Control System.

Mr. Iglesias has been the reference advisor and coordinator of all strategic transactions carried out by DIA Group, including the listing of the Company in 2011. He was also the driving force behind the approval of the first DIA group Ethical Code.

### **3. Membership of other boards of directors**

Mr. Iglesias is currently not a member of any board of directors.

### **4. Category**

Mr. Miguel Ángel Iglesias has been proposed as a director of the Company for his personal and professional qualities being in a position to perform executive duties in the Group in the aforementioned terms. Consequently, he shall qualify as executive director since, according to the information received, meets the requirements set forth in paragraph 1 of article 529 duodecies of the Spanish Companies Act and in article 9.1.(a) of the Board's Regulations.

### **5. Shares of the Company and derivative financial instruments, whose underlying assets are shares of the Company, the Candidate is a holder of**

As declared by Mr. Iglesias, he directly holds a 0,010% of voting rights attached to shares that may be acquired if the financial derivative instrument is exercised, according to article 13(1)(a) of Directive 2004/109/EC and articles 28.1a) and 31 of the Royal Decree 1362/2007.

### **6. Requirements for the appointment**

It is considered that the curriculum vitae, the professional experience and the positions held by Mr Miguel Ángel Iglesias certify that he meets the requirements of education and professional qualification, competence and experience for the position of executive director of the Board of Directors of the Company.

Specifically, it is believed that, in the particular case of Mr Iglesias, in order to be able to properly perform his duties as executive director with respect to DIA Group, the candidate appropriately combines sufficient qualifications, skills and experience in the following areas:

- (a) broad experience in regulatory compliance, as a result of his leadership in the corresponding departments of the Group, both at Ethics Committees level and in compliance;
- (b) knowledge of the sectors and markets, both in Spain and abroad, where DIA operates, having led the Group in the legal assessment of several strategic operations;
- (c) knowledge of the internal structure of the Group, due to his many years of experience (since 1990) and his different responsibilities and functions during his years at the Company (expansion, labour relationships, legal advice, etc.)
- (d) sufficient knowledge of the economic and financial factors, management of the highly-qualified human resources, and the regulatory frameworks and standards;
- (e) membership of the Board of Directors of the different subsidiaries of the Company;
- (f) highest internal level in terms of ethics and personal integrity and solvency; and
- (g) highest level of self-commitment with the goals of the Company.

The Board of Directors understands that Mr. Iglesias meets these requirements due to his outstanding knowledge and his wide professional and practical experience, having verified his professional quality, supported by the successes achieved during his career in different positions within the organization.

It has also been confirmed, through his statements and the relevant interviews carried out with different Directors, that he does not incur, directly or indirectly, in any legal or internal incompatibility, prohibition, conflict or opposition to the Company's interests as stated in the applicable general regulations or DIA internal rules.

Lastly, it has also been verified that, according to the information provided by Mr Iglesias, he does not exceed the maximum number of boards of directors of which he may be a member pursuant to article 19.6 of the Regulations of the Board of Directors.

## **7. Conclusion**

From the information received it can be inferred that Mr. Miguel Ángel Iglesias has the required competence, experience and merits to perform the duties of his position. Accordingly, the Nominations and Remunerations Committee has favourably informs the Board of Directors of the Company of the ratification and re-election of Mr. Miguel Ángel Iglesias as executive director in the next General Shareholders Meeting of the Company.

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