



**RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS OF
DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. TO THE
OCTOBER 2019 SPECIAL SHAREHOLDERS' MEETING**

1. APPROVAL OF THE COMPANY'S INDIVIDUAL BALANCE SHEET OF JUNE 30, 2019.

RESOLUTION 1

“To approve probar the individual balance sheet of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. as of June 30, 2019, as formulated by the management body.”

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2. OFFSETTING OF LOSSES AND SHARE CAPITAL REDUCTION AIMING TO RESTORE THE BALANCE AND STRUCTURE OF THE COMPANY'S NET EQUITY

2.1.- Offsetting of losses against reserves

1. Application of the "legal reserve", "capital redemption reserve", "differences from redenominating the capital to euro reserve" and "voluntary reserve" to offset losses

In the light of the Company's individual balance sheet as at 30 June 2019, approved under item 1 of the Agenda, the Company has the following reserves that amount to a total of EUR 38,67,012.16:

- (i) "legal reserve", in an amount of EUR 13,021.411.16;
- (ii) "capital redemption reserve", in an amount of EUR 5,687,948.70;
- (iii) "voluntary reserve", in an amount of EUR 4,817,568.48; and
- (iv) "differences from redenominating the capital to euro reserve", in an amount of EUR 62.07.
- (v) "non-distributable reserve" in an amount of EUR 15,170,021.76.

In accordance with such balance sheet, the "negative results from prior periods" amounts to EUR 191,274,360.75.

The General Shareholder's Meeting resolves to allocate:

- (i) the entirety of the aforesaid "legal reserve" account in the amount of EUR 13,021,411.16;
- (ii) the entirety of the aforesaid "capital redemption reserve" account in the amount of EUR 5,687,948.70;
- (iii) the entirety of the aforesaid "voluntary reserves" account in the amount of EUR 4,817,568.48; and
- (iv) the entirety of the aforesaid "differences from redenominating the capital to euro reserve" account in the amount of EUR 62.07.

to partially offset the "negative results from prior periods" of the Company.

It is stated for the record that once these reserves have been allocated to offset losses, the "negative results from prior periods" account shall amount to EUR 167,747,370.34.

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Furthermore, it is stated that, according to article 322.2 of the Spanish Companies Act, approved by the Royal Decree 1/2000, July 2, (the "Spanish Companies Act"), the Company will not have any voluntary or legal reserves exceeding 10% of the share capital, other than for the non-distributable voluntary reserve, amounting to EUR 15,170,021.76, arising from the reclassification, pursuant to Royal Decree 602/2016, of 2 December, of the goodwill reserve on 1 January 2016 to this new reserve, which is restricted as long as the net worth of the goodwill recognised in the Company's assets exceeds this amount (as is the case in the Company's balance sheet at 30 June 2019).

2. Delegation of powers

Notwithstanding the specific delegations of powers comprised in separate items of the agenda (which are to be understood as having been granted with express powers of substitution or subdelegation in the bodies and persons detailed herein), it is resolved to empower the Board of Directors, as broadly as required by law, with express powers to be substituted by, or to empower by any of its members, the powers to carry out all actions or formalities that may be necessary or merely convenient in order to achieve the execution and success of this resolution, and, in particular, without limitation, being empowered as follows:

- a) To develop, complement and implement this resolution.
- b) To carry out all actions necessary in order to comply with the requirements set forth in the Spanish Companies Act and other applicable rules.
- c) To carry out all actions and take all the steps necessary to obtain the consents and approvals required for this resolution to become fully effective.
- d) To carry out on behalf of the Company any action, make any statement or take any step that may be required before the CNMV, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR), the Governing Bodies of the Stock Markets and any other agency or entity or public or private Registry, Spanish or foreign, related to this resolution.
- e) To execute on behalf of the Company such public or private documents as may be necessary or appropriate and, at large, to carry out such actions as may be necessary for this resolution to become fully effective.
- f) To correct, clarify, interpret, specify or supplement the resolutions adopted by the General Shareholders' Meeting, or those appearing in such public deeds or documents as may be executed in the implementation thereof, and, in particular, such defects, omissions or error, either substantive or formal, that may prevent the resolutions and the consequences thereof from registering with the Commercial Registry, the Official Registries of the CNMV, or any others, including in this case the power to adjust the figure by which the losses are to be offset if, in the

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light of the Commercial Registrar's assessment, this would be necessary due to not being possible the allocation of some those reserves with such objective.

- g) At large, to carry out such actions as may be necessary or appropriate for this resolution to become fully effective.

2.2.- Share capital reduction in the amount of EUR 56,021,086.17 by decreasing the nominal value of the Company's shares in EUR 0.09 to offset losses and amendment of article 5 of the articles of association

1. Company's share capital reduction to offset losses

In accordance with the report submitted by the Board of Directors dated 20 September 2019 and in compliance with article 318.1 in relation to article 286 of the Spanish Companies Act, and following the allocation of all the voluntary and the legal reserves to offset losses, carried out by means of item 2.1 above, it is proposed to the General Shareholder's Meeting to reduce the share capital in the amount of EUR 56,021,086.17, that is, from the current amount of EUR 62,245,651.30 to EUR 6,224,565.13, through the reduction of the par share value of the totality of the ordinary shares with voting rights comprising Company's share capital, from the current amount of EUR 0.10 per share to EUR 0.01 per share.

The purpose of the share capital reduction is to offset the negative reserves registered in the "negative results from prior periods" account in an amount of EUR 56,021,086.17.

In accordance with the provisions set forth in article 323 of the Spanish Companies Act, this share capital reduction is based on the Company's individual balance sheet as at 30 June 2019 approved by the General Shareholders Meeting under item 1 of the agenda, and submitted to verification of the Company's statutory auditor, namely, Ernst & Young, S.L., as reflected in the audit report issued 19 September 2019. The aforesaid balance sheet and audit report will be attached to the public deed of share capital decrease.

This share capital reduction resolution shall affect, proportionally to the per share value, to all of the shares comprising the share capital of the Company, and, consequently, it shall not affect to the voting or economic rights of the shareholder.

By virtue of article 335(a) of the Spanish Companies Act the creditors do not have the right for opposition to this reduction of capital. As a result, the reduction will be immediately effective by simple decision of the General Meeting (notwithstanding with the formalisation acts needed).

As a result of the reduction of the nominal value of the shares no excess of assets or liabilities will be generated that should be allocated to the legal reserve.

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2. Amendment of article 5 of the Articles of Association

As a consequence of the foregoing, a new wording shall be drafted for article 5 of the Articles of Association, that will be drafted in the necessary terms to reflect the amount of the resulting capital reduction as set forth in item 1 above.

Therefore, the aforementioned article will be read as follows:

“Article 5: Share capital

1. The share capital amounts to six million two hundred and twenty-four thousand five hundred and sixty-five euros and thirteen cents of euro (6,224,565.13 Euros) and is fully subscribed and paid up.

2. The capital stock consists of SIX HUNDRED AND TWENTY-TWO MILLION FOUR HUNDRED FIFTY-SIX THOUSAND FIVE HUNDRED AND THIRTEEN (622,456,513) shares, with a face value each of one cent of a euro (0.01 Euros), belonging to the same class and series.”

3. Delegation of powers

Notwithstanding the specific delegations of powers comprised in separate items of the agenda (which are to be understood as having been granted with express powers of substitution or subdelegation in the bodies and persons detailed herein), it is resolved to empower the Board of Directors, as broadly as required by law, with express powers to be substituted or empowered by any of its members, the powers to carry out all actions or formalities that may be necessary or merely convenient in order to achieve the execution and success of the share capital reduction, and, in particular, without limitation, being empowered as follows:

- a) To develop, complement and implement this resolution.
- b) To carry out all actions necessary in order to comply with the requirements set forth in the Spanish Companies Act and other applicable rules, the consolidated text of the Spanish Securities Market Act, the Royal Decree 878/2015, of October 2, on clearing, settlement and registration of securities represented in book-entry form, on the legal framework of central depositaries and central counterparties, and on the transparency requirements for securities admitted to trading on a secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*) and other applicable rules, including the publication of any mandatory notices.

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- c) To carry out all actions and take all the steps necessary to obtain the consents and approvals required for this resolution to become fully effective.
- d) To carry out on behalf of the Company any action, make any statement or take any step that may be required before the CNMV, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR), the Governing Bodies of the Stock Markets, the Securities Clearing and Settlement Service and any other agency or entity or public or private Registry, either Spanish or foreign, in connection with the share capital reduction covered by this resolution and, in particular, effective from the beginning of the trading session determined by the latter, and after the public deed of share capital reduction has been executed and registered with the Commercial Registry, in order for the 622,456,513 ordinary shares of the Company with a nominal value of EUR 0.10 each currently outstanding to be excluded from trading, and the same number of shares with a nominal value of EUR 0.01 to be subsequently admitted to listing in the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges for trading through the Automated Quotation System (Sistema de Interconexión Bursátil (Mercado Continuo)).
- e) To amend the article of the Articles of Association corresponding to the share capital, so as to adapt it to the new share capital figure.
- f) To draft and publish such notices as may be necessary or appropriate in connection with this share capital reduction.
- g) To execute on behalf of the Company such public or private documents as may be necessary or appropriate and, at large, to carry out such actions as may be necessary for this resolution to become fully effective.
- h) To correct, clarify, interpret, specify or supplement the resolutions adopted by the General Shareholders Meeting, or those appearing in such deeds or documents as may be executed in implementation thereof and, in particular, such defects, omissions or errors, either substantive or formal, that may prevent the resolutions and the consequences thereof from registering with the Commercial Registry, the Official Registries of the CNMV, or any others, including in this case the power to adjust the figure by which the losses are to be offset if, in light of the Commercial Registrar's assessment, this would be necessary if share capital reduction and the offset of losses or any of the reserves provided in the prior agreement.
- i) At large, to carry out such actions as may be necessary or appropriate in order for the capital reduction to become fully effective.

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3. SHARE CAPITAL INCREASE FOR A NOMINAL AMOUNT OF EUR 60,555,224.66 THROUGH THE ISSUE AND PUTTING INTO CIRCULATION OF 6,055,522,466 NEW ORDINARY SHARES OF EUR 0.01 NOMINAL VALUE EACH, WITH A SHARE PREMIUM OF EUR 0.09 AND FOR AN EFFECTIVE AMOUNT OF 605,522,246.60, IN TWO SEPARATE TRANCHES OF (I) CAPITALISATION OF CREDITS, AND (II) CASH CONTRIBUTIONS (AND, POTENTIALLY, CAPITALISATION OF CREDITS) WITH RECOGNITION OF SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS AND INCOMPLETE SUBSCRIPTION PROVISION. DELEGATION TO THE BOARD OF DIRECTORS, WITH POWERS TO SUB-DELEGATE, OF THE NECESSARY POWERS TO EXECUTE THE RESOLUTION AND TO SET THE CONDITIONS IN ALL MATTERS NOT PROVIDED FOR BY THE GENERAL SHAREHOLDERS' MEETING, ACCORDING TO ARTICLE 297.1(A) OF THE SPANISH COMPANIES ACT, AS WELL AS TO AMEND ARTICLE 5 OF THE COMPANY'S ARTICLES OF ASSOCIATION.

The General Shareholders' Meeting of Distribuidora Internacional de Alimentación, S.A. ("**DIA**" or the "**Company**") resolves to increase the share capital in an effective amount (nominal plus share premium) of EUR 605,552,246.60 through two separate tranches, the first by means of capitalisation of credits and the second by means of cash contributions (the "**Capital Increase**"). The Capital Increase is part of the Company's refinancing and recapitalisation process, in which the Company's majority shareholder, LIR Invest1 Holdings S.à r.l. ("**LetterOne**"), has advanced a total amount of EUR 490,000,000.00 to the Company through the execution of two profit participating loans, which have already been fully drawn down, due to the Company's immediate liquidity needs.

The approval of this resolution substitutes and revokes the previous capital increase resolution approved by the General Shareholders' Meeting of DIA held on 20 March 2019.

The first tranche of the Capital Increase shall be executed by means of a capitalisation of the credit rights that LetterOne holds against the Company, in an amount equivalent to the pro rata portion of the total amount of the Capital Increase which LetterOne would be entitled to subscribe considering its current stake in DIA (69.759%) (the "**First Tranche**"), had a single EUR 600,000,000.00 capital increase fully payable in cash been implemented, that is, for an amount of EUR 418,554,99.60 for the First Tranche.

The second tranche of the Capital Increase shall be executed by means of cash contributions, with preferential subscription rights, and is addressed to all the shareholders of the Company other than LetterOne, that is, holders of 30.241% of the Company's share capital (the "**Second Tranche**"). LetterOne has formally waived its preferential subscription right in the Preferential Subscription Period of this tranche, considering that its pro rata portion of the Capital Increase is already covered by the

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First Tranche.

Both tranches are subject to identical economic terms.

I. FIRST TRANCHE

1. SHARE CAPITAL INCREASE

The Shareholders' Meeting resolves to increase the share capital by an amount of EUR 41,855,499.96 through the issue and putting into circulation of 4,185,549,996 new ordinary shares of EUR 0.01 nominal value each, with a share premium of EUR 0.09 per share, of the same class and series as those currently in circulation, represented through book-entries (the "**Shares in the First Tranche**"). Consequently, the total share premium corresponding to the Shares in the First Tranche amounts to EUR 376,699,499.64, while the total amount (nominal value plus share premium) of the First Tranche amounts to EUR 418,554,999.60.

The First Tranche amounts to 69.759% of the total capital increase initially contemplated amount of EUR 600,000,000.00, which is the percentage corresponding to the stake held by LetterOne in the Company.

2. NATURE AND CHARACTERISTICS OF THE CREDITS TO BE CAPITALISED

The nominal value and the share premium of the Shares in the First Tranche shall be subscribed by means of a capitalisation of the credit that L1R Invest1 Holdings S.à r.l, an entity with registered office at 1-3 Boulevard de la Foire, L-1528, Luxembourg and registered with the Luxembourg Commercial Registry under number B215109, holds against the Company under a profit participating loan agreement entered into between the Company and LetterOne on 26 June 2019, for a principal amount of EUR 450,000,000.00 (the "**450M PPL**").

The 450M PPL is duly recorded in the Company's accounting. According to the provisions of the 450M PPL agreement, the total amount of such credit can be prepaid by means of its capitalisation in a capital increase. Therefore, the amount of the nominal value and the share premium of the Shares in the First Tranche entails a capitalisation of EUR 418,554,999.60 of the 450M PPL. After the capitalisation of the 450M PPL, an amount of EUR 31,445,000.40 of principal will remain outstanding.

On the date on which the Board of Directors decides to execute the Capital Increase under the delegation of powers foreseen in this Capital Increase resolution, the amount of EUR 418,554,999.60 to be capitalised of the 450M PPL will comply with the liquidity, maturity and enforceability requirements foreseen in Article 301.1 of the Spanish Companies Act.

Pursuant the provisions of Article 301.3 of the Spanish Companies Act, with the call of the Extraordinary General Shareholders' Meeting and in addition to the directors' report,

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a certificate from the Company's auditor has been made available to the Company's shareholders, certifying that, in accordance with the Company's accounting, the information included in the directors' report regarding the EUR 418,554,999.60 amount to be capitalised out of the 450M PPL is accurate and will comply with the liquidity, maturity and enforceability requirements foreseen in Article 301.1 of the Spanish Companies Act on the date on which the Capital Increase is executed.

The Company's auditor will issue a second report on the date on which the Board of Directors decides to execute the Capital Increase, certifying that the EUR 418,554,999.60 amount to be capitalised out of the 450M PPL effectively complies on such date with the liquidity, maturity and enforceability requirements foreseen in Article 301.1 of the Spanish Companies Act.

3. PAYMENT AND SUBSCRIPTION OF THE SHARES

The Shares in the First Tranche shall be subscribed and paid-up by LetterOne through a capitalisation of the credit rights under the 450M PPL mentioned in Section 2 above.

The amount of nominal value and the share premium of the Shares in the First Tranche shall be fully paid-up once the credits have been offset, automatically cancelling such credits in the amount capitalised in the Capital Increase.

4. PREFERENTIAL SUBSCRIPTION RIGHT

There shall be no preferential subscription for the Shares in the First Tranche, in accordance with the provisions of Article 304 of the Spanish Companies Act. However, given the two-tranche structure of the Capital Increase, all of the Company's shareholders other than LetterOne shall be entitled to participate in the Capital Increase pro rata to their respective stakes in the share capital through the preferential subscription rights which have been reserved to them in the Preferential Subscription Period Second Tranche.

5. REPRESENTATION OF THE NEW SHARES

The Shares in the First Tranche shall be represented by book-entry form, and the relevant record shall be kept by Iberclear and its participating entities under the terms established in the regulations in force at the given time and shall be of the same class as the shares currently issued by the Company.

6. RIGHTS OF THE NEW SHARES

As of the date when the Capital Increase is declared subscribed and paid-up, the Shares in the First Tranche will confer to their owners the same economic and political rights as the currently outstanding ordinary shares of the Company.

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7. MAXIMUM EXECUTION TERM

The Capital Increase resolution shall be executed before 31 December 2019, and the Board of Directors of the Company shall establish all of its terms and conditions in relation to all matters not provided for in the resolution of this General Shareholders' Meeting, in accordance with article 297.1(a) of the Spanish Companies Act.

8. AMENDMENT OF ARTICLE 5 OF THE ARTICLES OF ASSOCIATION

In accordance with the provisions of article 297.2 of the Spanish Companies Act, the directors are expressly delegated the faculty to amend Article 5 of the Articles of Association, relating to the share capital, once the proposed Capital Increase has been approved and executed, in view of its definitive result.

9. APPLICATION TO LISTING OF THE NEW SHARES

It is resolved to apply for the listing of the Shares in the First Tranche issued under the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as its integration into the Automated Quotation System (SIBE), expressly stating the Company's submission to the rules that are now in force or may be issued regarding stock exchange matters and, especially, on trading, listing and delisting.

It is also resolved to request the inclusion of the Shares in the First Tranche in the book-entry registries of Iberclear and its participating entities.

II. SECOND TRANCHE

1. SHARE CAPITAL INCREASE

The Shareholders' Meeting resolves to increase the share capital by an additional amount of EUR 18,699,724.70 through the issue and putting into circulation of 1,869,972,470 additional new ordinary shares of EUR 0.01 nominal value each, with a share premium of EUR 0.09 per share, of the same class and series as those currently in circulation, represented through book-entries (the "**Shares in the Second Tranche**"). Consequently, the total share premium corresponding to the Shares in the Second Tranche amounts to EUR 168,297,522.30, while the total issue price (nominal value plus share premium) of the share capital increase amounts to EUR 186,997,247.00.

For clarification purposes, although the effective amount of the Second Tranche amounts to 30.341% of the total EUR 600,000,000.00 capital increase initially contemplated, that is, EUR 181,445,000.40, said amount is increased in an additional amount of EUR 5,552,246.60 for purely technical reasons and in order to obtain a practicable ratio of the number of preferential subscription rights to be allocated to shareholders for each share of the Company they hold. As a consequence of the increase by EUR 5,552,246.60 in the Second Tranche, the total amount of the Capital Increase in the event that all new shares being issued were fully subscribed, shall be EUR

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605,552,246.60 (the “**Total Amount**”).

After the aforementioned adjustment, each current share of the Company (excluding the 1,238,790 treasury shares held by the Company and the shares held by LetterOne), shall be entitled to ten (10) subscription rights, with one (1) preferential subscription right being required for subscribing each new share. Therefore, the 186,997,247 current shares with preferential subscription rights shall be entitled to 1,869,972,470 preferential subscription rights, which shall, in turn, grant the right to subscribe the 1,869,972,470 Shares in the Second Tranche.

2. PAYMENT AND SUBSCRIPTION OF THE SHARES

The amount of the nominal value and the share premium of the Shares in the Second Tranche shall be fully paid-up by means of cash contributions, except for those shares that may be subscribed by LetterOne in the Additional Allocation Period of the Second Tranche, which may be subscribed by means of capitalization of credits (see section 4). All the shares must be fully paid-up at the time of subscription.

Pursuant to article 299 of the Spanish Companies Act, it should be noted that the Company's previously issued shares are fully paid-up.

3. PREFERENTIAL SUBSCRIPTION RIGHT

Pursuant to Article 304 of the Spanish Companies Act, the shareholders of the Company shall have the right, in relation to the Shares in the Second Tranche, to subscribe a number of shares proportional to the amount of shares that they own on the date of allocation of their respective preferential subscription rights.

Notwithstanding the foregoing, as foreseen in Section 4 below, LetterOne waives the preferential subscription rights it would be entitled to exercise in the Preferential Subscription Period of the Second Tranche, since it is considered that it has already exercised said right, as it has subscribed its pro rata portion of the Capital Increase taking into account its stake in the Company when it fully subscribed the First Tranche.

The preferential subscription rights will be allocated to the shareholders of the Company that have acquired or subscribed Shares in the Second Tranche until (and including) the day on which the call for the Capital Increase is published in the Commercial Registry's Official Gazette (Last Trading Date), and whose acquisition transactions have been settled within the two trading days immediately following such date. The period for exercising the preferential subscription right shall be of fifteen (15) calendar days commencing on the day immediately following the day when the referred call for the Capital Increase is published in the Commercial Registry's Official Gazette (the “**Preferential Subscription Period**”). In any event, the Board of Directors may set a longer Preferential Subscription Period if circumstances advise so at the time of the execution of the Capital Increase.

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Pursuant to Article 306.2 of the Spanish Companies Act, the preferential subscription rights shall be transferable on the same terms as the shares they derive from and shall be tradable on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Automated Quotation System. Consequently, during the Preferential Subscription Period investors other than shareholders shall be able to acquire preferential subscription rights to subscribe Shares in the Second Tranche.

The Board of Directors will be entitled to conclude the Capital Increase as soon as it has been fully subscribed.

In order to exercise the preferential subscription rights during the Preferential Subscription Period and the right to request the allocation of additional shares, the owners of the abovementioned rights shall be able to address orders to the participant entities in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**") in whose registry the shares or the relevant rights are registered, indicating their willingness to exercise those rights and the number of shares they wish to subscribe. Orders placed in connection with the exercise of the preferential subscription right and, if applicable, the request for allocation of additional shares right shall be understood to have been made firmly, irrevocably and unconditionally.

The preferential subscription rights allotted to the shareholders of the Company, or acquired in the market by investors or shareholders, will be automatically extinguished after the Preferential Subscription Period.

The documentation of the issuance and, in particular, the prospectus or equivalent document of the Capital Increase to be registered with the CNMV, shall regulate the terms and conditions in which the payment of the shares and, if appropriate, the term and applicable procedures of the various tranches.

4. ADDITIONAL ALLOCATION PERIOD

In the event that there are Shares in the Second Tranche that have not been subscribed after the Preferential Subscription Period, an additional allotment period shall commence (the "**Additional Allotment Period**") in which the remaining Shares in the Second Tranche will be assigned to shareholders and/or investors who have requested additional shares, pursuant to the prospectus or equivalent document to be registered by the Company before the Spanish Securities Market Commission in connection with the Capital Increase.

In this sense, only shareholders and/or investors that have exercised part or all of the preferential subscription rights they own during the Preferential Subscription Period may request for the subscription of additional Shares in the Second Tranche. For the avoidance of doubt it is considered that LetterOne has exercised its preferential subscription rights by subscribing the shares in the First Tranche, which equal its pro rata part of the Capital Increase.

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In particular LetterOne may request a maximum of 814,450,004 additional Shares in the Second Tranche, which entails that its participation in the Capital Increase shall not exceed 5,000,000,000 shares, since that is the maximum amount of its underwriting commitment, as set out in section 12 below.

In case that LetterOne underwrites additional Shares in the Second Tranche, the contribution shall be as follows:

- (i) First, by capitalising credits against the Company for a maximum amount of EUR 71,445,000.40 that the Company owes to LetterOne under the PPLs, which are described in this section.
- (ii) Second, if the amount to be underwritten exceeds EUR 71,445,000.40, LetterOne will underwrite the difference between said EUR 71,445,000.40 and the maximum amount of the partial underwriting commitment, (EUR 81,445,000.40), that is a difference of EUR 10,000,000.00, by means of cash contributions.

Nature and characteristics of the credits to be capitalised by LetterOne

A maximum of 714,450,000 shares which LetterOne may subscribe in the Additional Allocation Period of the Second Tranche may paid-up by means of the capitalisation of the credits that LetterOne holds against the Company. These credits are described below:

- (i) the outstanding amount of the 450M PPL, entered into between the Company and LetterOne on 26 June 2019, which amounts to EUR 31,445,000.40 of principal; and
- (ii) profit participating loan entered into between the Company and LetterOne on 29 May 2019, for a total principal amount of EUR 40,000,000.00 (the “**40M PPL**”).

The outstanding amount of the 450M PPL and the 40M PPL (the “**PPLs**”), with a total aggregate amount of EUR 71,445,000.40, are duly recorded in the Company's accounting. According to the provisions of both agreements, the total amount of the PPLs can be prepaid, in full or in part, by means of its capitalisation in a capital increase.

On the date on which the Board of Directors decides to execute the Capital Increase under the delegation of powers foreseen in this Capital Increase resolution, the amount of EUR 71,445,000.40 to be capitalised of the PPLs shall comply with the liquidity, maturity and enforceability requirements foreseen in Article 301.1 of the Spanish Companies Act.

Pursuant the provisions of Article 301.3 of the Spanish Companies Act, with the call of the Extraordinary General Shareholders' Meeting and in addition to the directors' report, a certificate from the Company's auditor has been made available to the

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Company's shareholders, certifying that, in accordance with the Company's accounting, the information included in the directors' report regarding the EUR 71,445,000.40 amount to be capitalised out of the PPLs is accurate and will comply with the liquidity, maturity and enforceability requirements foreseen in Article 301.1 of the Spanish Companies Act on the date on which the Capital Increase is executed.

The Company's auditor will issue a second report on the date on which the Board of Directors decides to execute the Capital Increase, certifying that the EUR 71,445,000.40 amount to be capitalised out of the PPLs effectively complies on such date with the liquidity, maturity and enforceability requirements foreseen in Article 301.1 of the Spanish Companies Act.

Allocation in the Additional Allocation Period

In any event, applications for the allotment of Shares in the Second Tranche, if applicable, additional Shares in the Second Tranche, shall be unconditional and irrevocable in nature. In the event that the total number of additional Shares in the Second Tranche requested within the Preferential Subscription Period and to be allocated during the Additional Allocation Period exceed the Shares in the Second Tranche that remain to be allocated by virtue of the exercise of the preferential subscription rights, the remaining Shares in the Second Tranche shall be allotted on a pro rata basis between the requesting shareholders and investors in proportion to the number of Shares in the Second Tranche requested by each of the requestor over the total volume of requested Shares in the Second Tranche. The prospectus or equivalent document of the Share Capital Increase will elaborate the rules for carrying out the referred apportionment.

The Board of Directors will be able to allow for an additional period or round so that the Shares in the Second Tranche that could be left unsubscribed and unpaid during the Preferential Subscription Period and the Additional Allocation Period can be reallocated to those shareholders and/or to other investors, setting, in such an event, the procedure, the deadlines of these additional periods or rounds, and, if necessary, the apportionment methods.

5. SHAREHOLDERS AND INVESTORS' COMMITMENTS

LetterOne, holder of 434,220,476 shares representing 69.759% of the Company's share capital, has waived its preferential subscription right with regards to the Second Tranche.

6. REPRESENTATION OF THE NEW SHARES

The Shares in the Second Tranche shall be represented by book-entry form, and the relevant record shall be kept by Iberclear and its participating entities under the terms established in the regulations in force at the given time and will be of the same class as the currently issued shares of the Company.

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7. RIGHTS OF THE NEW SHARES

As of the date when the Capital Increase is declared subscribed and paid-up, the Shares in the Second Tranche will confer to their owners the same economic and political rights as the currently outstanding ordinary shares of the Company.

8. INCOMPLETE SUBSCRIPTION OF THE CAPITAL INCREASE

Pursuant to Article 311 of the Spanish Companies Act, if, for any reason the Second Tranche of the Capital Increase has not been fully subscribed after its finalisation and the execution of the Partial Underwriting Commitment described below, the share capital shall be increased in the amount of the subscriptions made, and the remaining amount shall be deemed as ineffective.

9. MAXIMUM EXECUTION TERM

The Capital Increase resolution shall be executed before 31 December 2019, and the Board of Directors of the Company shall establish all of its terms and conditions in relation to all matters not provided for in the resolution of this General Shareholders' Meeting, in accordance with article 297.1(a) of the Spanish Companies Act.

10. AMENDMENT OF ARTICLE 5 OF THE ARTICLES OF ASSOCIATION

In accordance with the provisions of article 297.2 of the Spanish Companies Act, the directors are expressly delegated the faculty to amend Article 5 of the Articles of Association, relating to the share capital, once the proposed Capital Increase has been approved and executed, in view of its definitive result.

11. APPLICATION TO LISTING OF THE NEW SHARES

It is resolved to apply for the listing of the Shares in the Second Tranche issued under the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as its integration into the Automated Quotation System (SIBE), expressly stating the Company's submission to the rules that are or may be enforced regarding stock exchange matters and, especially, on trading, listing and delisting.

It is also resolved to request the inclusion of the Shares in the Second Tranche in the book-entry registries of Iberclear and its participating entities.

12. UNDERWRITING

Underwriting commitment

It is expressly stated that LetterOne shall underwrite up to a maximum effective amount (nominal plus share premium) of EUR 81,445,000.40 of the Second Tranche, subscribing, up to said maximum amount, the part of the Second Tranche that has not been subscribed by the rest of the Company's shareholders or by those investors who

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acquire preferential subscription rights after the finalisation of the various tranches of the Capital Increase (the “**Partial Underwriting Commitment**”). Thus, together with First Tranche, which shall be subscribed by LetterOne, it is assured that a minimum amount of EUR 500,000,000.00 of the Capital Increase shall be subscribed and paid-up. For the avoidance of doubt, LetterOne’s Partial Underwriting Commitment shall cease to be effective if the sum of the First Tranche and the Second Tranche exceeds EUR 500,000,000.00 and shall apply, fully or partially when applicable, up to such amount.

If necessary, LetterOne shall execute the Partial Underwriting Commitment as follows:

- (i) First, by capitalising credits against the Company for a maximum amount of EUR 71,445,000.40 that the Company owes to LetterOne under the PPLs, which are described in section 4 (Additional Allocation Period).
- (ii) Second, if the amount to be underwritten exceeds EUR 71,445,000.40, LetterOne will underwrite the difference between said EUR 71,445,000.40 and the maximum amount of the partial underwriting commitment, (EUR 81,445,000.40), that is a difference of EUR 10,000,000.00, by means of cash contributions.

III. DELEGATION OF POWERS

Notwithstanding the specific delegations of authority set forth in the preceding sections (which are to be understood as having been granted with express powers of substitution or sub-delegation in the bodies and persons detailed herein), it is resolved to delegate to the Board of Directors with faculties as broadly as expressly stated in Article 297.1.(a) of the Spanish Companies Act, as well as all those powers that are expressly stated in this resolution and the authorization of establishing all those conditions that are not expressly provided in this resolution.

Likewise, it is resolved to authorise the Board of Directors, as broadly as required by law, with powers of substitution and sub-delegation, during the period up to 31 December 2019, to carry out any action or procedure that might be necessary or merely convenient, in the broadest possible terms, to accomplish the execution and the successful implementation of the Capital Increase, and, in particular, by way of illustration and without limitation, the following:

- (i) indicate the date on which the Capital Increase resolution must take effect, as well as, if applicable, whether it will be carried out in one or more rounds and the duration of said additional periods or rounds and the apportionment methods;
- (ii) determine the duration of the Preferential Subscription Period, including the possibility of opening one or more additional periods for the allotment of shares that have not been subscribed and paid during the Preferential Subscription Period;
- (iii) establish any other points relating to the Capital Increase that have not been

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determined by this resolution, including the authority to propose to one or more shareholders the resignation of that preferential subscription rights of their ownership, or to amend the number of issued shares, all in order to guarantee that the number of shares to be issued maintains exactly the proportion resulting from the application of the agreed exchange ratio;

- (iv) amend the wording of article 5 of the Articles of Association in light of the result of the Capital Increase, in accordance with the article 297.2 of the Spanish Companies Act;
- (v) draft, subscribe and file, with the CNMV the prospectus or equivalent document relating to the Capital Increase, which is expected to be approved in the third quarter of 2019, in compliance with the provisions included in the Spanish Securities Market Act, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and other implementing regulations, assuming responsibility for their content, as well as drafting, subscribing and submitting as many supplements thereto as may be necessary, requesting their verification and registration by the CNMV and other documentation and accessory information communications that may be necessary or appropriate for this purpose;
- (vi) execute the Capital Increase of the Company, carrying out all the necessary or appropriate actions for the best execution thereof;
- (vii) draft, subscribe and submit any additional or complementary documentation or information required before the CNMV or any other national or foreign authority;
- (viii) take any action, make any declaration or deal before the CNMV, the Governing Bodies of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges Stock Exchanges, Sociedad de Bolsas, Iberclear and any other public or private body, entity or registry, national or foreign, in order to obtain the authorizations or verifications that are necessary for the execution of the Capital Increase;
- (ix) declare executed and closed the Capital Increase once the Preferential Subscription Period and the additional rounds for subscription of shares that, if applicable, are determined is over and once the payment of the shares subscribed is done, issuing as many public or private documents as may be appropriate for its execution;
- (x) negotiate, subscribe and grant as many public and private documents as may be convenient or necessary regarding the Capital Increase in accordance with the established practice in this type of operations;
- (xi) draft and publish whatever announcements may be necessary or advisable;
- (xii) draft, sign and execute, and where appropriate certify, documents of all kinds;

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- (xiii) apply for the listing of the New Shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Mercado Continuo);
- (xiv) appear before the notary public of his choice and notarize this resolution into a public deed, as well as to carry out any necessary actions and to approve and formalize any public or private documents that may be necessary or convenient for the full effectiveness of this Capital Increase resolution in any of its aspects and contents and, in particular, to correct, clarify, interpret, complete or specify, as the case may be, the resolution adopted and, in particular, to correct any defects, omissions or errors that may be appreciated in the verbal or written qualification of the Commercial Registry; and
- (xv) lastly, the Board of Directors is expressly authorized, to delegate to any of its members, or any proxies that may be determined, all or part of the powers conferred by virtue of this resolution that may be legally delegable and to grant to the employees of the Company that deems appropriate the pertinent powers for the development of said delegated powers.

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4. DELEGATION OF POWERS TO FORMALIZE AND IMPLEMENT ALL OF THE RESOLUTIONS ADOPTED BY THE SHAREHOLDERS' MEETING

RESOLUTION FOUR

Without prejudice to the powers delegated in the preceding resolutions, to grant powers to the Board of Directors, with express powers to subdelegate, to the Chairman of the Board of Directors, to the Chief Executive Officer, to the Board Secretary and to the Deputy Board Secretary, as broadly as may be required by law, so that any of them may implement the above resolutions, for which purpose they may: (i) establish, interpret, clarify, complete, develop, amend, rectify errors or omissions and adapt the resolutions set out above to the oral or written assessment of the commercial registrar or any competent authority, public official or entity; (ii) prepare and publish the legally required notices; (iii) have the above resolutions notarized and execute any public and/or private document considered necessary or appropriate for their implementation; (iv) submit any documentation to the commercial registry or other competent registries; and (v) perform all such steps as may be necessary or appropriate for their satisfactory implementation and, in particular, their registration at the commercial registry or any other competent registry.

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Las Rozas – Madrid, 20 September 2019