



Distribuidora Internacional de Alimentación, S.A. (“**DIA**” or the “**Company**”), in accordance with Articles 228 of the consolidated wording of the Securities Markets Law and 17 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, hereby announces the following

### **RELEVANT FACT**

The Board of Directors of the Company convenes its shareholders to an Ordinary General Shareholders’ Meeting to be held likely on second call on 20 April 2018 at 11:00, at Casa de América, c/ Marqués del Duero, nº 2, 28001, Madrid. The following is hereby reported regarding the Meeting:

**I.** The Agenda will be the following:

1. Examination and approval of the annual accounts, allocation of results and corporate management:
  - 1.1 Examination and approval of the Company’s individual annual accounts and the individual annual accounts of the Company consolidated with those of its subsidiaries, as well as the Company’s individual management report and the management report of the Company consolidated with that of its subsidiaries, for the financial year ended 31 December 2017.
  - 1.2 Proposed allocation of the results of the Company for the financial year ended 31 December 2017.
  - 1.3 Examination and approval of the distribution of dividends to be charged against financial year results and voluntary reserves.
  - 1.4 Examination and approval of the management and activity of the Board of Directors during the financial year ended 31 December 2017.
2. Composition of the Board of Directors: number of Directors setting and appointment of new Directors for the statutory period:
  - 2.1 Setting the number of Directors at twelve members.
  - 2.2 Appointment of Mr Stephan DuCharme as external proprietary Director.
  - 2.3 Appointment of Mr Karl-Heinz Holland as external proprietary Director.
3. Re-election of KPMG Auditores, S.L. as statutory auditors of the Company and of its group for financial years 2018, 2019 and 2020
4. Approval of the amendments to the Directors’ Remuneration Policy 2015-2018, currently in force.
5. Approval of a new Directors’ Remuneration Policy for financial years 2019-2021.
6. Approval of the delivery of part of the remuneration of the Company’s Board of Directors, in their capacity as board members, in the form of Company shares.
7. Approval of the Long-Term Incentive Plan (2018-2022) consisting of the award of shares to Company managers (including the Executive Officer).



8. Authorisation to the Board of Directors for the acquisition of the Company's own shares under the terms provided by law, depriving of effect, to the extent of the unused amount, the authorisation in force.
9. Authorisation to the Board of Directors, with express power of further delegation, for a maximum term of five years, to issue: a) ordinary bonds or debentures and other fixed-income securities (except for notes) with a maximum limit of 1,500,000,000 euros, and b) notes with a maximum limit at any time of 480,000,000 euros, although the total debt at any time represented by the securities issued pursuant to sub-sections (a) and (b) above or by other delegations may not exceed an overall limit of 1,500,000,000 euros. Authorisation for the Company to guarantee new issues of securities by subsidiaries, within the limits set out above; depriving of effect, to the extent of the unused amount, Resolution Six of the General Shareholders' Meeting from 22 April 2016.
10. Delegation of powers to amend, supplement, execute and implement the resolutions adopted by the shareholders acting at the General Meeting, to formalise and record such resolutions, and to make the required deposit of accounts.

#### CONSULTATIVE ITEM

11. Annual Director Remuneration Report for financial year 2017.

#### INFORMATIVE ITEM

12. Information on amendments to the Company's Board of Directors Regulations in order to introduce a new article referred to the Strategy Committee.

**II.** The Ordinary General Shareholders' Meeting will likely be held on 20 April 2018 on second call.

**III.** The following documents are attached regarding the Meeting:

- Announcement of the call to the Ordinary General Shareholders' Meeting, including the Agenda, which has been published in Cinco Días, a financial newspaper with national coverage and on the Company's website ([www.diacorporate.com](http://www.diacorporate.com)) on the date hereof and which will remain continuously available on the Company's corporate website at least until the holding of the General Shareholders' Meeting.
- Full text of the proposed resolutions of the Board of Directors that may be adopted by the shareholders at the Company's Ordinary General Shareholders' Meeting with respect to each of the items included on the Agenda.

It is hereby stated for the record that both the above documents and the other documents regarding the General Shareholders' Meeting, together with the corresponding reports of the Board of Directors providing a rationale for the proposed resolutions on items 2, 4, 5, 9 and 12 of the Agenda and the other information regarding the General Shareholders' Meeting, may be viewed on the Company's website ([www.diacorporate.com](http://www.diacorporate.com)) and will be available to the shareholders at the registered office, upon the terms set out in the announcement of the call to meeting.

It is also reported that the Annual Financial Report (which includes the individual and



consolidated annual accounts) as well as the Annual Corporate Governance Report and the Annual Director Remuneration Report for financial year 2017 have already been submitted to the National Securities Market Commission and have also been made available to the shareholders on the Company's website, along with the applicable rules and regulations and the forms or form of attendance card for the exercise by the shareholders of the rights of information, proxy-granting and absentee voting and for accessing the Electronic Shareholders' Forum.

In Madrid, 17 March 2018.

**DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.**

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Mr Miguel Ángel Iglesias Peinado  
Vice-Secretary of the Board of Directors



## DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

### ANNUAL GENERAL SHAREHOLDERS MEETING

The Board of Directors of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. (“**DIA**” or the “**Company**”) hereby convenes the shareholders to an Annual General Meeting, to be held at Casa de América, c/ Marqués del Duero, nº 2, 28001, Madrid, on 19 April 2018, at 11:00, on first call, and on second call the following day, 20 April 2018, at the same time and place, being likely to be held on second call, in order to deliberate and decide upon the issues included in the following

### AGENDA

1. Examination and approval of the annual accounts, allocation of results and corporate management:
  - 1.1 Examination and approval of the Company’s individual annual accounts and the individual annual accounts of the Company consolidated with those of its subsidiaries, as well as the Company’s individual management report and the management report of the Company consolidated with that of its subsidiaries, for the financial year ended 31 December 2017.
  - 1.2 Proposed allocation of the results of the Company for the financial year ended 31 December 2017.
  - 1.3 Examination and approval of the distribution of dividends to be charged against financial year results and voluntary reserves.
  - 1.4 Examination and approval of the management and activity of the Board of Directors during the financial year ended 31 December 2017.
2. Composition of the Board of Directors: number of Directors setting and appointment of new Directors for the statutory period:
  - 2.1 Setting the number of Directors at twelve members.
  - 2.2 Appointment of Mr Stephan DuCharme as external proprietary Director of the Company.
  - 2.3 Appointment of Mr Karl-Heinz Holland as external proprietary Director of the Company.
3. Re-election of KPMG Auditores, S.L. as statutory auditors of the Company and of its group for the financial years 2018, 2019 and 2020.
4. Approval of the amendments to the Directors’ Remuneration Policy 2015-2018, currently in force.
5. Approval of a new Directors’ Remuneration Policy for the financial years 2019-2021.
6. Approval of the delivery of part of the remuneration of the Company’s Board of Directors, in their capacity as board members, in the form of Company shares.
7. Approval of the Long-Term Incentive Plan (2018-2022) consisting of the award of shares to Company managers (including the Executive Officer).



8. Authorisation to the Board of Directors for the acquisition of the Company's own shares under the terms provided by law, depriving of effect, to the extent of the unused amount, the authorisation in force.
9. Authorisation to the Board of Directors, with express power of further delegation, for a maximum term of five years, to issue: a) ordinary bonds or debentures and other fixed-income securities (except for notes) with a maximum limit of 1,500,000,000 euros, and b) notes with a maximum limit at any time of 480,000,000 euros, although the total debt at any time represented by the securities issued pursuant to sub-sections (a) and (b) above or by other delegations may not exceed an overall limit of 1,500,000,000 euros. Authorisation for the Company to guarantee new issues of securities by subsidiaries, within the limits set out above; depriving of effect, to the extent of the unused amount, Resolution Six of the General Shareholders' Meeting from 22 April 2016.
10. Delegation of powers to amend, supplement, execute and implement the resolutions adopted by the shareholders acting at the General Meeting, to formalise and record such resolutions, and to make the required deposit of accounts; depriving of effect, to the extent of the unused amount, Resolution Six of the General Shareholders' Meeting from 22 April 2016.

#### CONSULTATIVE ITEM

11. Annual Director Remuneration Report for financial year 2017.

#### INFORMATIVE ITEM

12. Information on amendments to the Company's Board of Directors Regulations in order to introduce a new article referred to the Strategy Committee.

### **SUPPLEMENT TO THE CALL TO MEETING AND SUBMISSION OF PROPOSALS**

Any shareholders representing at least three per cent of the share capital may request the publication of a supplement to the call to the Annual General Meeting, including one or more items on the Agenda, provided that the new items are accompanied by a rationale or, if applicable, a reasoned proposal.

This right must be exercised by sending a duly authenticated notice that must be received at the registered office of DIA (Distribuidora Internacional de Alimentación, S.A., for the attention of the Legal Department (Ref: General Meeting), at the following address: calle Jacinto Benavente nº 2-A, Parque Empresarial de Las Rozas, Edificio Tripark, 28232 Las Rozas-Madrid), within five days of the publication of this call to meeting.

Within the same period set out in the preceding paragraph, shareholders representing at least three per cent of the share capital may submit reasoned proposals for resolutions regarding items already included or that should be included on the Agenda for the Meeting that has been called, all upon the terms of section 519.3 of the Spanish Companies Act.

The written notice must include the name or corporate name of the requesting shareholder(s), and must attach the appropriate documentation (copy of attendance, proxy and voting card or validation certificate) showing their status as a shareholder, in order to check this information against the information provided by Sociedad de Gestión de los Sistemas de Registro,



Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR), as well as the text of the item(s) put forward by the shareholder or the text of the proposal(s) made by the shareholder.

A complementary document to the calling will be published, at least, fifteen days in advance before the date scheduled for the General Meeting on first call.

## **RIGHT TO ATTEND**

Shareholders may attend the General Shareholders Meeting, regardless of the number of shares they own, provided that the shares are recorded in their name in the relevant book-entry register at least five days prior to the date scheduled for holding the Meeting; such status must be verified at the entrance to the premises where the General Meeting is held, at least one hour before the time scheduled for the meeting to begin, by producing the relevant attendance, proxy and voting card stating the number, class and series of shares owned, as well as the number of votes they are entitled to cast.

The attendance, proxy and voting card will be issued by IBERCLEAR participants in favour of shareholders who provide evidence of the registration of their shares five days prior to the date scheduled for holding the Meeting.

For purposes of verifying the identify of shareholders or their proxies, at the entrance to the premises where the General Shareholders' Meeting is held, attendees may be asked to confirm their identity by means of the presentation of a National Identity Document or any other current official document that the Company deems appropriate for these purposes, as well as to present their attendance, proxy and voting card.

Once the period for accepting attendance, proxy and voting cards has ended, shareholders or their proxies who arrive late to the place for holding the General Meeting shall be provided with an invitation to follow the proceedings of the meeting if they so desire, but neither the shareholders nor their proxies shall be included in the attendance list.

## **PROXY DELEGATION AND VOTING BY REMOTE MEANS OF COMMUNICATION**

### **I. Right to proxy representation and remote proxy-granting**

Pursuant to the provisions of article 21 of the Articles of Association and articles 18, 19, 19.*bis* and 19.*ter* of the Regulations for the General Shareholders Meeting, any shareholder with the right to attend may be represented at the General Meeting by another person, even if not a shareholder of the Company, by complying with the requirements and formalities imposed by law, the Articles of Association and the other internal rules of the Company, to the extent applicable.

The shareholder must complete and sign the proxy form and also sign the relevant attendance, proxy and voting card.

The person in whose favour the proxy is granted must exercise the proxy in person at the Meeting, delivering the attendance, proxy and voting card at the shareholder registration tables in the place and on the day scheduled for the General Meeting, and at least one hour prior to the time scheduled for the commencement of the meeting.

A proxy is always revocable, and personal attendance at the Meeting by the person granting the proxy, either physically or by casting an absentee vote, shall be deemed a revocation.



A proxy must be granted in writing and specifically for each General Meeting, and may be granted by remote means of communication.

If granted by remote means of communication, only the following shall be deemed valid:

**1. By post**

The attendance, proxy and voting card issued by the IBERCLEAR participant, duly signed and completed by the shareholder, shall be sent to the Company's registered office (Distribuidora Internacional de Alimentación, S.A., for the attention of the Legal Department (Ref.: General Meeting), at the following address: calle Jacinto Benavente n° 2-A, Parque Empresarial de Las Rozas, Edificio Tripark, 28232 Las Rozas- Madrid). There must be an assurance as to the proxy granted and the identity of the shareholder granting the proxy. The designated proxy representatives must identify themselves on the day and at the place of the Meeting, and may do so beginning one hour prior to the time of commencement of the meeting, by presenting their National Identity Card or any other current official document generally accepted for such purposes, in order for the Company to be able to verify the proxy granted, along with a copy of the attendance, proxy and voting card sent to the Company.

The shareholder may use the proxy form or the card available for this purpose on the Company's website ([www.diacorporate.com](http://www.diacorporate.com)).

This duly completed and signed form must be delivered to the Company by post to aforementioned registered office, along with the corresponding duly signed attendance, proxy and voting card.

**2. By electronic communication**

A proxy granted by electronic communication through the Company's website ([www.diacorporate.com](http://www.diacorporate.com)) by accessing the area provided for this purpose and following the procedure established therein shall be accepted.

It shall be necessary for such purposes to have a recognised or qualified electronic signature, as provided by Law 59/2003 of 19 December on Electronic Signatures, provided that it is based on an electronic National Identity Document or a recognised electronic certificate that has not been revoked and that is an Electronic User Certificate issued by the Spanish Public Certification Authority (*Autoridad Pública de Certificación Española*) (CERES) under the authority of the Spanish Royal Mint (*Fábrica Nacional de Moneda y Timbre*).

The designated proxy representatives must identify themselves on the day and at the place of the Meeting, and may do so beginning one hour prior to the time of holding the Meeting by presenting their National Identity Card or any other current official document generally accepted for these purposes in order for the Company to be able to verify the proxy granted, along with a copy of the electronic document completed by the shareholder on the Company's website in order to grant such proxy.

Proxies granted by any of the above remote means of communication must be received by the Company at least 24 hours prior to the date scheduled for holding the General Meeting on first call. Otherwise, it shall be deemed that the proxy has not been granted.

If instructions are given by the shareholder granting the proxy, the representative shall vote in accordance therewith and shall be required to keep such instructions for one year after the Meeting is held.





A proxy representative may represent more than one shareholder, with no limitation as to the number of shareholders being represented. If a proxy representative holds the proxy of several shareholders, the proxy representative may cast votes in different directions based on the instructions given by each shareholder.

In any event, the number of shares represented shall be taken into account for calculating the quorum for the Meeting.

The documents containing proxies for the General Meeting must include at least the following statements:

- (a) Date for holding the General Meeting and Agenda.
- (b) Identity of the shareholding granting the proxy and of the proxy representative. If not specified, it shall be deemed that the proxy has been granted indistinctly, jointly and severally and successively to the Chair of the Board of Directors, to the First Vice Chairman of the Board of Directors, to the Second Vice Chairman of the Board of Directors (or, in the event of absence of the formers, the Director appointed as Chairperson of the General Meeting), to the Chief Executive Officer (*Consejero Delegado*) or to the Secretary of the Board of Directors.
- (c) Number of shares held by the shareholder granting the proxy.
- (d) The instructions for exercising the right to vote.

The Chair of the General Meeting or the persons appointed thereby shall be deemed to have the authority to determine the validity of the proxies granted and compliance with the requirements to attend the General Meeting.

If the proxy representative verifies that they are the spouse or an ascendant or descendant of the shareholder granting the proxy, or the proxy representative holds and presents a general power of attorney granted in a public instrument giving them authority to administer all of the shareholder's property in Spain, the procedure shall be as provided by law.

## **II. Right to vote and exercise of absentee voting rights**

Prior to the holding of the Meeting, shareholders with the right to attend and vote may cast their vote on proposals regarding the items on the Agenda by post or by electronic communication as provided by articles 21, 26 and 28 of the Articles of Association and by articles 31 and 32 of the Regulations for the Meeting.

### **1. Vote by post**

To cast a vote by post, a shareholder must complete and sign the attendance, proxy and voting card issued to the shareholder by the IBERCLEAR participant and which shows the direction of the vote (for, against, abstain or blank), ticking the relevant box in the table included in the attendance, proxy and voting card.

Once completed and signed, the shareholder must send it by post to the Company's registered office (Distribuidora Internacional de Alimentación, S.A., for the attention of the Legal Department (Ref.: General Meeting), at the following address: calle Jacinto Benavente nº 2-A, Parque Empresarial de Las Rozas, Edificio Tripark, 28232 Las Rozas-Madrid).

The shareholder may also use the absentee voting form or the card available for this purpose on the Company's website ([www.diacorporate.com](http://www.diacorporate.com)).





This duly completed and signed form must be delivered to the Company by post to the corporate domicile indicated above, along with the corresponding duly signed attendance, proxy and voting card.

## **2. Voting by electronic communication**

Shareholders may also cast their vote by authorised means of electronic communication using their legally recognised electronic signature as provided by paragraph 2 of Section I above for granting their proxy and by Section III below. The vote shall be cast by communication to the Company through its website ([www.diacorporate.com](http://www.diacorporate.com)), by accessing the area provided for this purpose and following the procedure established therein.

In order for a vote cast by any remote means of communication (by post or electronically) to be valid, it must be received by the Company at least 24 hours prior to the date scheduled for holding the General Meeting on first call. Otherwise, it shall be deemed that the vote has not been cast. After this period, only those votes cast in person by the shareholder or the shareholder's valid proxy representative at the General Meeting shall be accepted.

## **III. Provisions common to remote proxy-granting and absentee voting**

If a shareholder exercises the shareholder's voting rights or grants a proxy using remote means of communication, the shares thereof must be recorded in the shareholder's name in the relevant book-entry register at least five in advance of the date scheduled for holding the General Meeting.

In addition, the validity of proxies granted and votes cast remotely is subject to verification (whether by comparison to the file provided by IBERCLEAR or by other means allowing the Company to ascertain the legitimacy and effectiveness of the remote proxy or absentee vote, as well as the number of shares held by the shareholder) of the shareholder's status and the number of shares held thereby. In the event of a conflict between the number of shares communicated by the shareholder granting the proxy remotely or casting the shareholder's absentee vote and the number appearing in the book-entry register communicated by IBERCLEAR, the number of shares provided by the latter shall be deemed valid for quorum and voting purposes, absent evidence to the contrary.

A proxy granted and vote cast by post or electronic means may be rendered void by express revocation of the shareholder, through the same means used to grant the proxy or cast the vote, within the period provided.

Prior to the appointment thereof, the proxy representative must inform the shareholder in detail if he/she is affected by any conflict of interest. If the conflict occurs after the appointment of the proxy representative and the shareholder is not aware of the possible existence of such conflict, the proxy representative must immediately inform the shareholder thereof. In both cases, if new voting instructions are not specifically received for each of the matters on which the proxy representative is to vote on behalf of the shareholder, proxy representative must abstain from voting in accordance to the law. Without prejudice to the foregoing and unless otherwise indicated by the shareholder granting the proxy, if the proxy representative is affected by a conflict of interest, the shareholder shall be deemed to have also appointed as representatives, indistinctly, jointly and severally and successively, in favour of the Chair of the Board of Directors, to the First Vice Chairman of the Board of Directors, to the Second Vice Chairman of the Board of Directors (or, in the event of absence of the formers, the Director appointed as Chairperson of the General Meeting), the Chief Executive Officer and the Secretary of the Board of Director.



If a shareholder grants proxy representation by post or electronic communication to the Company, members of the board, or the Secretary or Deputy Secretary of the Board, without including instructions on how to vote, or if questions arise as to the recipient or the scope of the proxy (for example, in case none is identified), it shall be deemed that (i) the proxy is granted, indistinctly, jointly and severally and successively, in favour of the Chair of the Board of Directors, to the First Vice Chairman of the Board of Directors, to the Second Vice Chairman of the Board of Directors (or, in the event of absence of the formers, the Director appointed as Chairperson of the General Meeting), the Chief Executive Officer and the Secretary of the Board of Directors; (ii) it refers to all the proposals proposed by the Board of Directors and included in the Agenda for the General Meeting; (iii) it provides for a vote in favour thereof; and (iv) unless otherwise indicated by the shareholder, it also covers any items that may arise outside of the Agenda, with respect to which the proxy representative shall vote in the direction most favourable to the interests of the shareholder, within the framework of the corporate interest.

Likewise, a shareholder who casts a vote by post or electronic communication and who does not mark any of boxes provided for items of the Agenda shall be deemed to desire that the vote be cast in favour of the respective proposals made by the Board of Directors.

The following rules of priority are established amongst proxies, absentee voting and presence at the Meeting:

- (a) Personal attendance at the Meeting by a shareholder remotely granting a proxy or casting an absentee vote, regardless of the means used, shall render void such proxy or vote.
- (b) If a shareholder validly grants a proxy by electronic communication and also grants the proxy using a printed attendance, proxy and voting card issued by the IBERCLEAR participant(s) or by the Company, the latter shall prevail over the proxy granted by electronic communication, regardless of the respective dates on which they were granted.
- (c) If a shareholder validly casts a vote by electronic communication and also by means of a printed attendance, proxy and voting card issued by the IBERCLEAR participant(s) or by the Company, the latter shall prevail over the vote cast by electronic communication, regardless of the respective dates on which they were cast.
- (d) A vote cast by any means of remote communication shall invalidate any proxy granted electronically or by means of a printed attendance, proxy and voting card, whether granted prior in time (which shall be deemed to be revoked) or afterwards (which shall be deemed to have not been made).
- (e) If a shareholder validly grants several proxies or casts several votes by electronic communication, the latter proxy granted or vote cast and received by the Company within the relevant deadline shall prevail.
- (f) Both a proxy and absentee vote shall be rendered ineffective if the Company becomes aware that the shares giving the right to attend have been transferred.

The Company shall make available to the shareholders on its website ([www.diacorporate.com](http://www.diacorporate.com)) the forms or cards which may be used for absentee vote and proxy.

Any of the co-owners of a share deposit may vote, grant a proxy or attend, and the rules of priority set forth above shall mutually apply thereto. For the purposes of section 126 of the



Companies Act, it is presumed that any co-owner intending to act at any time (proxy, vote or personal or remote attendance) is appointed by the other co-owners to exercise the rights thereof as shareholders.

If the shareholder is a legal entity, it must notify the Company of any modification or revocation of the powers held by its representative, and the Company thus declines any responsibility until such notice occurs.

A shareholder has sole responsibility for the custody of the shareholder's electronic signature.

The Company reserves the right to change, suspend, cancel or restrict the mechanisms for remote voting and proxy-granting if required or imposed by technical or security reasons.

DIA shall not be liable for damages that a shareholder may sustain as a result of failures, overloads, fallen lines, failed connections, poorly operating mail service or any other events of the same or similar nature that are beyond the Company's control and prevent the use of the mechanisms for remote voting or proxy-granting.

As regards shareholders that are legal entities, if post is the remote means of communication used to grant a proxy to a third party or to vote, a copy of the powers of attorney granted to the individual in whose name such proxy is granted or who casts the absentee vote, along with the other documentation required under these rules, must be sent to the Company.

### **RIGHT TO RECEIVE INFORMATION**

Pursuant to sections 272, 287 and 518 of the Companies Act, article 19 of the Articles of Association, and article 14 of the Regulations of the General Meeting, as from the date of publication of this announcement of the call to meeting, shareholders may examine the following documentation at the registered office (and in the cases provided by law, obtain from the Company the immediate delivery or dispatch without charge), which has been made available to the shareholders at the registered office and through the Company's website ([www.diacorporate.com](http://www.diacorporate.com)), a portion of which has also been sent to the National Securities Market Commission:

- This announcement of the call to meeting.
- The total number of shares and voting rights on the date of the call to meeting.
- The annual financial report for financial year 2017, which includes the individual and consolidated accounts, the individual and consolidated management reports, and the respective auditors' reports for financial year 2017.
- The full text of the proposed resolutions of the Board of Directors that may be adopted by the shareholders at the Annual General Shareholders Meeting of the Company in relation to each of the items on the Agenda, together with the corresponding reports of the Board of Directors or of the Nomination and Remuneration Committee providing a rationale for the proposed resolutions under items Two, Four, Five, Seven, Nine and Twelve of the Agenda:
  - Report of the Board of Directors of the Company regarding the rationale for the proposal of the setting the number of Directors and appointment of new members of the Board of Directors.
  - Report prepared by the Nomination and Remuneration Committee of the Company in relation to the proposed amendment of the Director's Remuneration



Policy for the period 2015-2018.

- Report prepared by the Nomination and Remuneration Committee of the Company on the proposal for approval of the new Directors' Remuneration Policy for the period 2019-2021.
  - Explanatory report by the Nominations and Remunerations Committee on the proposal for the approval of the Long-Term Incentive Plan 2018-2022.
  - Report made by the Board of Directors of the Company regarding the proposal to authorise the Board of Directors to issue simple debentures or bonds, notes and other fixed-income securities and other debt instruments of a similar nature.
  - Report drawn up by the Board of Directors of DIA on the justification of the proposed amendment of the Board of Directors Regulations.
- The 2017 Annual DIA Directors Remuneration Report, which will be submitted for a vote at the General Shareholders' Meeting as a separate item on the Agenda, on a consultative basis.
  - The Annual Corporate Governance Report for financial year 2017.
  - The form or model of attendance, proxy and absentee voting card.
  - The rules of operation of the Electronic Shareholders Forum.

Pursuant to the provisions of sections 197 and 520 of the Companies Act, from the date of publication of the call to the General Meeting to the fifth day prior to the date provided for the holding the Meeting, inclusive, or verbally during the meeting itself, the shareholders may request that the Board of Directors provide they information or clarifications they deem to be required regarding the items on the Agenda, or to ask the relevant questions in writing.

Furthermore, with the same advance notice and in the same manner, the shareholders may request in writing or verbally during the Meeting any clarifications they deem to be required regarding information accessible to the public that the Company may have provided to the National Securities Market Commission since the holding of the last General Meeting, and regarding the auditor's report.

Requests for information or documentation may be made by delivering the request to the registered office: by sending a letter to the Company by post to the following mailing address: Distribuidora Internacional de Alimentación, S.A., for the attention of the Legal Department (Ref. General Meeting), at the following address: calle Jacinto Benavente nº 2-A, Parque Empresarial de Las Rozas, Edificio Tripark, 28232 Las Rozas-Madrid; or by remote electronic communication through DIA's website ([www.diacorporate.com](http://www.diacorporate.com)) in the place and using the form provided for this purpose.

Such requests shall be accepted if the electronic document whereby the information is requested includes the shareholder's legally recognised or qualified electronic signature as provided by Law 59/2003 of 19 December on Electronic Signatures, provided that they are based on an electronic National Identity Card or a recognised electronic certificate that has not been revoked and is an Electronic User Certificate issued by the Spanish Public Certification Authority (CERES) under the authority of the Spanish Royal Mint.

Regardless of the means used to make requests for information, the request of the shareholder must include the shareholder's full first and last names, providing evidence of the shares



owned thereby by means of a copy of the attendance, proxy and voting card or validation certificate, in order check this information against the list of shareholders and number of shares recorded in the shareholder's name as provided by IBERCLEAR, for the General Meeting in question. The shareholder shall have the burden of proving that the request has been sent to the Company in due time and form.

The website of the Company shall provide the explanations needed for the exercise of the shareholders' right to information as provided by applicable legal provisions.

Except in the cases expressly provided for by law and in section 13 of the Regulations of the General Meeting of the Company, the Board of Directors shall be required to provide the requested information in writing up to the day of holding the General Meeting, and in the case of verbal requests made during the Meeting where the right of the shareholder cannot be satisfied at that time, the Board of Directors shall be required to provide such information in writing with seven days of the conclusion of the Meeting.

Unless the shareholder indicates a different means that the Company deems appropriate, requests for information shall be answered prior to the General Shareholders' Meeting using the same means by which they were asked, after verification of the identity and shareholder status of the requesting party.

### **SPECIAL INFORMATION TOOLS**

Pursuant to section 539.2 of the Companies Act and upon the terms referred to therein, an Electronic Shareholders Forum (the "**Forum**") shall be activated on the Company's website ([www.diacorporate.com](http://www.diacorporate.com)) in order to facilitate communications of individual shareholders and voluntary associations, and which may be accessed with the necessary guarantees by both individual shareholders and by any voluntary associations created under the provisions of section 539.4.

Proposals may be published on the Forum that are intended to be submitted as a supplement to the Agenda announced in the call to meeting, requests for other shareholders to join in such proposals, initiatives to reach a sufficient percentage to exercise a minority right provided by law, as well as any voluntary offers or requests for proxy representation.

Access to the Forum and the terms and conditions for the use and operation thereof shall be governed by the provisions of this announcement and the rules of operation of the Electronic Shareholders Forum, the text of which may be viewed on the Company's website.

### **PARTICIPATION OF A NOTARY AT THE MEETING**

Pursuant to the provisions of section 203 of the Companies Act and article 35 of the Regulations of the Meeting, the Board of Directors has resolved to request the presence of a Notary for purposes of drawing up the Minutes of the Meeting.

### **OTHER INFORMATION OF INTEREST FOR SHAREHOLDERS**

It is hereby stated for the record that the **Annual General Shareholders Meeting is likely to be held on second call, i.e. on 20 April 2018, at the place and time indicated above.**

All information and documentation for the General Shareholders Meeting is also available to



the shareholders on the Company's website ([www.diacorporate.com](http://www.diacorporate.com)).

Personal data that the shareholders provide to the Company in order to exercise or delegate their rights to attend, to grant a proxy and to vote at the General Meeting or that are provided for such purposes by banking institutions and brokerage firms and companies with which such shareholders have deposited or maintain their shares, or by the entity legally authorised to maintain the book-entry register, IBERCLEAR, shall be processed by the Company in order to manage the development, compliance and control of the existing shareholding relationship (particularly including but not limited to the organisation, call and holding of the General Meeting). The data shall be included for such purposes in files for which the Company is responsible. The data may be communicated to the Notary attending the General Meeting, as well as to any third parties who have a right to information as provided by law, or may be accessed by the public to the extent appearing in the documentation available on the website of DIA or stated at the General Meeting, the proceedings of which may be subject to audiovisual recording and public broadcast on such website. The attendee consents to such recording and broadcast by attending the General Meeting.

As provided by Implementing Law 15/1999 of 13 December on the Protection of Personal Data (*Ley de Protección de Datos de Carácter Personal*) (LOPD), a data subject may exercise their right of access, rectification, challenge or erasure of the data by sending a writing to the Company's LOPD Consultation Office, at calle Jacinto Benavente n°2-A, Parque Empresarial de Las Rozas, Edificio Tripark, 28232 Las Rozas-Madrid.

If personal data regarding individuals other than the holder are included in the attendance, proxy and voting card, the shareholder must inform them of the provisions of the preceding paragraphs and comply with any other requirements that may apply for the proper assignment of personal data to the Company, without the Company needing to take any further action.

Madrid, 17 March 2018

**The Secretary of the Board of Directors**





**PROPOSED RESOLUTIONS FORMULATED BY THE BOARD OF DIRECTORS TO THE GENERAL SHAREHOLDERS' MEETING OF DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. CALLED TO BE HELD ON 19 APRIL 2018, ON FIRST CALL, AND ON 20 APRIL 2018, ON SECOND CALL**

The resolutions that the Board of Directors of Distribuidora Internacional de Alimentación, S.A. ("DIA" or the "Company") proposes for approval by the shareholders at the General Meeting are as follows:

**PROPOSED RESOLUTION REGARDING ITEM ONE ON THE AGENDA. EXAMINATION AND APPROVAL, IF APPROPRIATE, OF THE ANNUAL ACCOUNTS, ALLOCATION OF RESULTS AND CORPORATE MANAGEMENT**

**1.1. Examination and approval of the Company's individual annual accounts and the individual annual accounts of the Company consolidated with those of its subsidiaries, as well as the Company's individual management report and the management report of the Company consolidated with that of its subsidiaries, for the financial year ended 31 December 2017**

It is proposed to approve the individual annual accounts of Distribuidora Internacional de Alimentación, S.A. (balance sheet, income statement, statement of changes in equity, statements of cash flows, and notes) and the individual annual accounts of the Distribuidora Internacional de Alimentación, S.A. consolidated with those of its subsidiaries (statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes, all consolidated), as well as the Company's individual management report and the management report of the Company consolidated with that of its subsidiaries, for the financial year ended 31 December 2017, as formulated by the Board of Directors.

**1.2. Proposed allocation of the results of the Company for the financial year ended 31 December 2017**

Pursuant to the proposal made by the Board of Directors at the meeting held on 21 February 2018, it is proposed to approve the allocation of the results of the Company described below:

To distribute all of the positive individual results from financial year 2017, in the amount of eighty eight million eight hundred ninety seven thousand eight hundred and twelve euros and thirty four euro cents (88,897,812.34 Euros) to dividends for distribution among the shareholders, in the terms regulated in the following resolution 1.3.

**1.3. Examination and approval of the distribution of dividends to be charged against financial year results and voluntary reserves.**

Pursuant to the proposal made by the Board of Directors at the meeting held on 21 February 2018, it is proposed to distribute among the shareholders of the Company a gross fixed cash dividend of EIGHTEEN EURO CENTS (€ 0.18) for each Company share with a right to receive such dividend on the date in which the corresponding payment is made, from which amount shall be deducted any retention at source that might be applicable.

Given the number of shares currently in circulation and if the company held no treasury shares, such distribution would entail the distribution of a maximum total amount of one



hundred and twelve million forty two thousand one hundred and seventy two euros and thirty four euro cents (112,042,172.34 Euros).

This maximum total dividend will be distributed with charge to:

- (i) all positive individual results from financial year 2017 earmarked for dividends referred to in resolution 1.2 above, which amount to eighty eight million eight hundred ninety seven thousand eight hundred and twelve euros and thirty four euro cents (88,897,812.34 Euros) corresponding; and
- (ii) voluntary reserves, up to a maximum amount of twenty three million one hundred forty four thousand three hundred and sixty euros (23,144,360 Euros).

The dividend total amount and, consequently, the total amount of the reserves earmarked for payment of such dividend, will be determined at the time of distribution according to the treasury position held by the Company at that time. Solely for informational purposes and in light of the level of the Company's treasury position on 31 December 2017, the charge to voluntary reserves would amount to twenty one million two hundred eighty eight thousand four hundred and forty six euros and six euro cents (21,288,446.06 Euros).

Such amount shall be paid on 17 July 2018 through the participants in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR).

#### **1.4. Examination and approval of the management and activity of the Board of Directors during the financial year ended 31 December 2017**

It is proposed to approve the corporate management and the activities performed by the Board of Directors of the Company during the financial year ended on 31 December 2017.



**PROPOSED RESOLUTION REGARDING ITEM TWO ON THE AGENDA.  
COMPOSITION OF THE BOARD OF DIRECTORS: NUMBER OF DIRECTORS  
SETTING AND APPOINTMENT OF NEW DIRECTORS FOR THE STATUTORY  
PERIOD**

**2.1 Setting the number of Directors at twelve members**

It is proposed to set at twelve the number of the Company's Directors, within the threshold provided in Recommendation 13 of the Code of Good Governance for publicly traded companies and article 32 of the Articles of Association, this is, to increase by two members the current number of Directors.

**2.2 Appointment of Mr Stephan Edward DuCharme as external proprietary Director of the Company**

It is proposed to appoint for the three-year term provided for in the Articles of Association, the Director Mr Stephan Edward DuCharme, whose classification is that of "external proprietary Director", to represent the Company's significant shareholder Letterone Investment Holdings, S.A., upon a favourable report from the Nomination and Remuneration Committee.

**2.3 Appointment of Mr Karl-Heinz Holland as external proprietary Director of the Company**

It is proposed to appoint for the three-year term provided for in the Articles of Association, the Director Mr Karl-Heinz Holland, whose classification is that of "external proprietary Director", to represent the Company's significant shareholder Letterone Investment Holdings, S.A., upon a favourable report of the Nomination and Remuneration Committee.



**PROPOSED RESOLUTION REGARDING ITEM THREE ON THE AGENDA. RE-ELECTION OF KPMG AUDITORES, S.L. AS STATUTORY AUDITORS OF THE COMPANY AND OF ITS GROUP FOR FINANCIAL YEARS 2018, 2019 AND 2020**

In order to comply with the legal obligation to verify the annual accounts of the Company by auditors and, upon proposal of the Audit and Compliance Committee, it is agreed to re-elect KPMG Auditores, S.L. as auditors of the Company and of its group, which will audit for a period of three years, in accordance with article 22 of Law 22/2015, of 20 July, on Account Auditing, in its current wording, for the individual annual accounts of the Company and the individual annual accounts of the Company consolidated with those of its subsidiaries for the financial years ended 31 December 2018, 2019 and 2020.

It is recorded that KPMG Auditores, S.L. has its corporate domicile in Madrid, Paseo de la Castellana, 95, with Fiscal Identity Number B-78510153, being registered in the Madrid Mercantile Registry, in Volume 11,961, Sheet 90, Section 8, Page M-188.007, Entry No. 9, as well as in the Official Registry of Accounting Auditors under number S0702.



**PROPOSED RESOLUTION REGARDING ITEM FOUR ON THE AGENDA,  
APPROVAL OF THE AMENDMENTS TO THE DIRECTORS' REMUNERATION  
POLICY 2015-2018, CURRENTLY IN FORCE**

To approve, in accordance with the provisions of article 529 *novodecies* of the Capital Companies Law, the amendment of the Directors' remuneration policy for the period 2015-2018, which was originally approved by the 2015 Shareholders' Meeting on April 24, 2015, on the terms set out below, the wording of which has been made available to the shareholders (as part of the relevant favorable report by the Nomination and Remuneration Committee) together with the rest of the documentation for the Shareholders' Meeting since the date of its call:

1. A proposal is made to replace the third paragraph of section 4 on "Directors' remuneration system for their services as such", which will be worded as follows. The approval of this amendment entails setting a new maximum amount for the annual remuneration of all the Directors for their position as such, in accordance with the provisions of articles 217 and 529 novodecies of the Capital Companies Law:

*"For fiscal years 2015, 2016 and 2017, the upper limit on the remuneration payable overall to the Directors for their position as such amounts to 1,500,000 euros. For fiscal year 2018, the upper limit on the remuneration payable overall to the Directors for their position as such amounts to 2,000,000 euros."*

2. A proposal is made to replace the first paragraph of section 5.1 "Fixed Remuneration" under section 5 "Remuneration system for executive Directors", which will hereafter be worded as follows:

*"Its aim is to reward the performance of executive duties. For the Company's only executive Director, his fixed annual remuneration has been set at 600,000 euros. For 2018, the fixed remuneration shall be the result of applying rules for review to such amount, based on the year-on-year positive variation in the CPI (Consumer Price Index, national general index published by the National Statistics Institute) for the period December 2016-December 2017."*



**PROPOSED RESOLUTION REGARDING ITEM FIVE ON THE AGENDA.  
APPROVAL OF THE DIRECTORS' REMUNERATION POLICY FOR FINANCIAL  
YEARS 2019-2021**

To approve, in accordance with the provisions of article 529 novodecies of the Capital Companies Law, the Directors' remuneration policy of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. for fiscal years 2019, 2020 and 2021, the text of which has been made available to the shareholders together with the relevant favorable report by the Nomination and Remuneration Committee and the rest of the documentation relating to the Shareholders' Meeting since the date of its call, and which includes, among other components, the upper limit of the overall annual remuneration to be paid to the Directors for the office of Director.





**PROPOSED RESOLUTION REGARDING ITEM SIX ON THE AGENDA,  
APPROVAL OF THE DELIVERY OF PART OF THE REMUNERATION OF THE  
COMPANY'S BOARD OF DIRECTORS, IN THEIR CAPACITY AS BOARD  
MEMBERS, IN THE FORM OF COMPANY SHARES**

A proposal is made to the shareholders at the General Meeting, pursuant to article 39.4 of the Articles of Association, to deliver 50% of the annual gross fixed stipend of the members of the Board of Directors for financial year 2018 in shares of the Company, thus delivering the remaining 50% in cash.

The shares corresponding to each of the Directors for performing their duties as such Directors, shall be delivered as from 15 December 2018 (including the remuneration for said month).

The maximum number of shares to be delivered to each Director as remuneration for his/her position of Director for financial year 2018 shall be calculated by reference to the result of dividing 50% of the various concepts that compose the fixed stipend of each Director by a benchmark listing price, which, for financial year 2018, shall be the volume weighted average price (VWAP) of the closing prices for DIA shares during the 15 trading days prior to 21 February 2018 (inclusive).

The Directors must maintain ownership of these shares until the time they cease to be a Director.



**PROPOSED RESOLUTION REGARDING ITEM SEVEN ON THE AGENDA. APPROVAL OF THE LONG-TERM INCENTIVE PLAN (2018-2022) CONSISTING OF THE AWARD OF SHARES TO COMPANY MANAGERS (INCLUDING THE EXECUTIVE OFFICER)**

The proposal is to approve, pursuant to article 219 of the revised Corporate Enterprises Law, approved by Legislative Royal Decree 1/2010, of July 2, 2010, and to article 39.4 of the bylaws, the establishment of a Long-Term Incentive Plan for the period 2018-2022 (the “**Incentive Plan**” or the “**Plan**”), payable by means of the award of DIA shares, which has been approved by the Board of Directors of DIA following a proposal by the Nomination and Remuneration Committee, on the following terms:

**Aim and description:** the principal aim of the Plan is to align the interests of the beneficiaries with those of DIA’s shareholders and to provide the beneficiaries with an incentive for the achievement of the Company’s strategic objectives for the 2018-2022 period.

The Plan is a long-term incentive consisting of the possibility of the beneficiaries receiving a specific number of Company shares (“**Shares**”) after a set period time has elapsed and provided that certain requirements are met.

The application and execution of the Plan is regulated by the general terms and conditions approved by the Board of Directors of the Company, at the proposal of the Nomination and Remuneration Committee.

**Length of the Plan, dates and periods:** Without prejudice to its payment period, the Plan has a term of five (5) years, divided into three (3) independent cycles (“**Cycles**”), with a measurement period of three (3) years for each Cycle. The three Cycles of the Plan are as follows:

- First cycle of the Plan: from January 1, 2018 through December 31, 2020 (“**First cycle of the Plan**”).
- Second cycle of the Plan: from January 1, 2019 through December 31, 2021 (“**Second cycle of the Plan**”).
- Third cycle of the Plan: from January 1, 2020 through December 31, 2022 (“**Third cycle of the Plan**”).

The payment period for the Plan will cover years 2021, 2022, 2023 and 2024.

Save in cases of early payment of the Plan, the Shares will be delivered to the beneficiaries on the following delivery dates (“**Delivery Dates**”):

- First Cycle of the Plan: the Shares corresponding to the First Cycle of the Plan will be delivered in April 2021 (50% of the Shares) and January 2022 (50% of the Shares).
- Second cycle of the Plan: the Shares corresponding to the Second cycle of the Plan will be delivered in April 2022 (50% of the Shares) and January 2023 (50% of the Shares).



- Third Cycle of the Plan: the Shares corresponding to the Third Cycle of the Plan (50% of the Shares) and January 2023 (50% of the Shares) and January 2024 (50% of the Shares).

The Plan will end on the last Delivery Date corresponding to the Third Cycle of the Plan, that is, in January 2024.

**Objectives of the Plan:** The Board of Directors, at the proposal of the Nomination and Remuneration Committee, will establish the objectives on which the delivery of Shares under each Cycle of the Plan will depend.

The delivery of Shares under the First Cycle of the Plan will depend on the fulfilment of a series of business targets of the Company and of its Group, linked to the performance of “Group Return on Investment” and “Group Sales Evolution” resulting from the consolidated financial statements corresponding to the period 2018-2020 and the performance of the Company’s Total Shareholder Return (TSR) during the period 2018-2020, compared to the TSR performance of a peer comparison group. The beneficiaries must maintain their employment or independent contractor relationship with DIA, or any of its subsidiaries, on the dates established in the Plan in order to be able to receive the Shares. In the event of termination of the relationship held by the beneficiaries of the Plan with DIA, or with any of its subsidiaries, they will forfeit the right to receive shares under the Plan, save in certain cases that may be established by the Board of Directors.

For the purposes of measuring the TSR performance corresponding to the First Cycle of the Plan, the weighted average by daily volume of the weighted average prices of the DIA share and of the shares of the companies in the comparison group in the 15 trading sessions prior to the date of the Board of Directors’ approval of the call for the Annual General Meeting that is to approve, as the case may be, the Plan (i.e., before March 15, 2018), as well as the weighted average by daily volume of the weighted average prices of the DIA share and of the shares of the companies in the comparison group in the 15 trading sessions following the date of publication of the income/loss for 2020.

For the remaining two Cycles of the Plan, the initial reference value of the Share will be the weighted average by daily volume of the weighted average prices of the DIA share and of the shares of the companies in the comparison group in the 15 trading sessions prior to the date of preparation by the Board of Directors of the consolidated financial statements corresponding to the year immediately preceding the start year of the corresponding Cycle, and the final reference value will be the weighted average by daily volume of the weighted average prices of the DIA share and of the shares of the companies in the comparison group in the 15 trading sessions following the date of publication of the income/loss for 2021 and 2022 for the Second and Third Cycle of the Plan.

For the Second and Third Cycle of the Plan, the Board of Directors, at the proposal of the Nomination and Remuneration Committee, may establish other objectives on which the delivery of Shares to the beneficiaries of the Plan will depend, full details of which will be contained in the relevant Annual report on Directors’ Remuneration.

**Beneficiaries:** The CEO, senior managers and other key employees of DIA and of its subsidiaries, both present and future, chosen by the Board of Directors who meet the



requirements stipulated in the general terms and conditions of the Plan and who are formally invited to participate in each Cycle of the Plan. It is estimated that this group comprises approximately 215 people. The Board of Directors, following a proposal by the Nomination and Remuneration Committee, may decide in the future to include other employees as beneficiaries of the Plan.

**Maximum number of shares allocated to the Plan:** The maximum total number of Shares to be awarded to all beneficiaries of the Plan (including executive directors) will amount to 24,394,852 Shares (a number of Shares which will be subject, if necessary, to the usual adjustments in the event of changes to the Company's capital structure, such as changes in the par value of the share, and will be reduced by the related taxes or withholdings). The CEO may receive in 2018, 2019 and 2020, initial dates of each of the Cycles of the Plan, a maximum allocation of rights corresponding to 592,105 Shares in each of said years, the delivery of which will occur in the dates set forth above.

The reference value of the Share for the First Cycle of the Plan will be the weighted average by daily volume of the weighted average prices of the DIA share in the 15 trading sessions prior to March 15, 2018, the date of the Board of Directors' approval of the call for the Annual General Meeting that is to approve, as the case may be, the Plan.

For the remaining two Cycles of the Plan, the reference value of the Share will be the weighted average by daily volume of the weighted average prices of the DIA share in the 15 trading sessions prior to the date of preparation by the Board of Directors of the Company of the consolidated financial statements corresponding to the year immediately preceding the start year of the corresponding Cycle.

The price of any Shares to be delivered under the Plan will correspond to the closing market price on each one of the corresponding Delivery Dates.

**Other terms:**

- The Board of Directors, at the proposal of the Nomination and Remuneration Committee, will determine the indicators, and the degree of achievement, on which the delivery of shares to the beneficiaries in each Cycle of the Plan will depend.
- The Shares that may be received by the beneficiaries under the Plan will only be delivered if sustainable in accordance with the Company's situation, and if justified on the basis of its results.
- The Plan includes the corresponding malus clauses, which will apply both during each Cycle of the Plan and in the period elapsed between the end of each Cycle and the effective delivery of the Shares, and clawback clauses, which will apply for the three years following the end of each Plan Cycle and may cause the Shares to be delivered to be reduced or returned in certain circumstances, in accordance with what is established by the Board of Directors from time to time.
- The CEO and the members of the Executive Committee of the DIA Group must hold all of the Shares they receive under the Plan or any other long-term incentive plans



implemented by DIA or that it may implement in the future until they own a number of Shares equal to twice their fixed remuneration, in the case of the CEO, or once their fixed remuneration, in the case of the members of the Executive Committee of the DIA Group. The CEO and the members of the Executive Committee of the DIA Group must retain the ownership of those Shares until the end of their employment or independent contractor relationship with the Company. The foregoing will not apply to any Shares the CEO and the members of the CEGD may need to dispose of in order to pay the costs and taxes relating to their acquisition.

- If necessary or appropriate for statutory, regulatory or other analogous reasons, the stipulated award mechanisms may be adjusted, without altering the maximum amounts of the Plan or the essential terms on which the award depends.
- The Shares to be awarded will be Company shares and may be newly issued or obtained from third parties with whom agreements have been executed in order to ensure coverage of the commitments given under the Plan.

**Delegation of powers:** Those present agreed to empower the Board of Directors, with express powers of substitution and delegation, so that it may implement, develop, execute, perform and pay out the Plan, by adopting all such resolutions and executing all such public or private documents as may be necessary or appropriate for its full effect, including powers to correct, rectify, amend or supplement this resolution and, in particular and without limitation, the following powers:

- a. to designate the beneficiaries, either upon the establishment of the Plan or thereafter, and to determine their allotments in each Cycle of the Plan, to establish any additional conditions to be met by some or all of the beneficiaries and to revoke, as the case may be and where appropriate, designations and allotments previously made;
- b. where so required or advisable according to the legal regime applicable to the beneficiaries or to certain Group companies, or if necessary or appropriate for statutory, regulatory, operating or other analogous reasons, to adapt the basic conditions indicated, in general or in particular, including, but not limited to, the possibility of adapting the mechanisms for delivery of the Shares, without altering the maximum number of Shares linked to the Plan and to provide for and execute the total or partial payment of the Plan in cash.
- c. to set the terms and conditions of the Plan where not stipulated in this resolution, in particular and without limitation, to stipulate the indicators, the objectives and the related coefficients on which the award of shares in each Cycle will depend, including, inter alia, cases in which the Plan is paid out early, and to declare compliance with the terms on which, as the case may be, such early payment depends;
- d. to bring the contents of the Plan into line with the corporate circumstances and transactions arising during its term, referred to DIA and the companies that are part of the peer group at all times, on the terms and conditions deemed necessary or appropriate from time to time in order to maintain the purpose of the Plan. Specifically, to modify the composition of the peer group of companies as a result of corporate transactions that



represent changes or disappearances of those companies, and to establish and adjust the corresponding metrics and the respective scales of achievement of the targets in accordance with the situation of the Company from time to time;

- e. to execute and implement the Plan as deemed most appropriate, taking all necessary actions for its optimum performance;
- f. to draft, sign and serve all notices and all public or private documents as are necessary or appropriate, on any public or private body, for the implementation and performance of the Plan;
- g. to take any action, make any statement or take any step vis-à-vis any public or private body, entity or registry with a view to obtaining such authorization or verification as is necessary for the implementation and performance of the Plan;
- h. to designate, if appropriate, the banking institution or institutions which is/are to provide services to the Company in connection with the execution and management of the Plan and to negotiate, stipulate and execute the related contracts with the banking institution or institutions thus selected, as well as any other appropriate contracts or agreements with any other entities and, as the case may be, with the beneficiaries, for the performance of the Plan, on such terms and conditions as it deems suitable;
- i. to evaluate the degree of performance of the objectives linked to the performance of the Plan and to pay it out, for which it may obtain, if necessary, advice from an independent expert; and
- j. in general, to take as many steps and execute as many documents as are necessary or appropriate for the validity, enforceability, implementation, development, performance, payment and success of the Plan.

For the purposes of clarification, it is hereby stated that the Plan thus approved will be deemed to have been resolved and granted as an acknowledgement of the managerial duties of the beneficiaries (including the executive directors of DIA or those with powers delegated by the Board of DIA, pursuant to article 39.3 of its bylaws) and its benefits are therefore independent and unconnected with the annual compensation payable to members of the Board of Directors for their position as such.





**PROPOSED RESOLUTION REGARDING ITEM EIGHT ON THE AGENDA, AUTHORISATION TO THE BOARD OF DIRECTORS FOR THE ACQUISITION OF THE COMPANY'S OWN SHARES UNDER THE TERMS PROVIDED BY LAW, DEPRIVING OF EFFECT, TO THE EXTENT OF THE UNUSED AMOUNT, THE AUTHORISATION IN FORCE**

It is proposed that the General Meeting expressly authorises the Board of Directors, with express power of substitution and delegation, pursuant to the provisions of section 146 of the Companies Act, to carry out the derivative acquisition of shares of the Company upon the following terms:

1. The acquisitions may be made directly by the Company or indirectly through its subsidiaries, on the same terms set forth in this resolution.
2. The acquisitions shall be made through purchase and sale, exchange, or any other transaction permitted by law.
3. The acquisitions may be made, at any time, up to the maximum amount permitted by law.
4. The acquisitions may not be made at a price greater than the listing price of the shares or lower than the par value of the shares.
5. This authorisation is granted for a maximum period of five years from the adoption of this resolution.
6. The shareholders' equity resulting from the acquisition of shares, including those that the Company or the person acting in their own name but for the account of the Company has previously acquired and holds as treasury shares, shall not be less than the amount of share capital plus the reserves that are restricted under the law or the Articles of Association all pursuant to the provisions of letter b) of section 146.1 of the Companies Act.

It is expressly stated that the shares acquired pursuant to this authorisation may be disposed of, cancelled, or allocated to the remuneration systems provided for in paragraph three of letter a) of Article 146.1 of the Companies Act (either through direct delivery, or as a result of the exercise of option rights by employees or Directors), as well as to develop programs to foster the acquisition of interests in the Company such as, for example, dividend reinvestment plans, loyalty bonuses, or similar instruments.

This resolution cancels and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of the Company's own shares granted by DIA's General Meeting on 24 April 2015 as Resolution Seven.



**PROPOSED RESOLUTION REGARDING ITEM NINE ON THE AGENDA, AUTHORISATION TO THE BOARD OF DIRECTORS, WITH EXPRESS POWER OF FURTHER DELEGATION, FOR A MAXIMUM TERM OF FIVE YEARS, TO ISSUE: A) ORDINARY BONDS OR DEBENTURES AND OTHER FIXED-INCOME SECURITIES (EXCEPT FOR NOTES) WITH A MAXIMUM LIMIT OF 1,500,000,000 EUROS, AND B) NOTES WITH A MAXIMUM LIMIT AT ANY TIME OF 480,000,000 EUROS, ALTHOUGH THE TOTAL DEBT AT ANY TIME REPRESENTED BY THE SECURITIES ISSUED PURSUANT TO SUB-SECTIONS (A) AND (B) ABOVE OR BY OTHER DELEGATIONS MAY NOT EXCEED AN OVERALL LIMIT OF 1,500,000,000 EUROS. AUTHORISATION FOR THE COMPANY TO GUARANTEE NEW ISSUES OF SECURITIES BY SUBSIDIARIES, WITHIN THE LIMITS SET OUT ABOVE; DEPRIVING OF EFFECT, TO THE EXTENT OF THE UNUSED AMOUNT, RESOLUTION SIX OF THE GENERAL SHAREHOLDERS' MEETING FROM 22 APRIL 2016**

To delegate to the Board of Directors, as permitted by section 319 of the Regulations of the Mercantile Registry and the general provisions governing the issuance of debentures, as well as pursuant to the Articles of Association, the power to issue negotiable securities in accordance with the following terms and conditions:

1. Securities to be Issued.- The negotiable securities contemplated in this delegation may be simple bonds or debentures, notes, and other fixed-income securities and other fixed-income securities and other debt instruments of a similar nature.
2. Period of the Delegation.- The issuance of the securities covered by the delegation may be effected on one or more occasions within a maximum period of five years following the date of approval of this resolution.
3. Maximum amount under the delegation:-
  - a) The maximum net aggregate amount of the issuance(s) of ordinary bonds or debentures and other fixed-income securities (other than the notes) approved under this delegation or by other previous delegations shall be of 1,500,000,000 euros or the equivalent thereof in another currency.
  - b) The outstanding balance of the notes that are issued under this delegation may not at any time exceed the sum of 480,000,000 euros or the equivalent thereof in another currency. This limit is independent of the limit established in sub-section a) above.
  - c) In no event may the total debt at any time represented by the securities issued pursuant to sub-sections (a) and (b) above or to previous delegations exceed an overall limit of 1,500,000,000 euros.
  - d) To determine whether each of said limits has been reached, the amounts corresponding to retirements or repurchases made or occurring during the effective period thereof will be deducted from the new issues approved under this authorisation and the outstanding amounts of issuances agreed under the terms of previous delegations to the Board of Directors shall be added.
4. Scope of the Delegation.- The delegation of powers to issue the securities contemplated in this resolution shall extend, as broadly as required by law, to the establishment of the



different terms and conditions applicable to each issue (par value, issue price, redemption price, domestic or foreign currency of the issuance, form of representation, interest rate, amortisation, subordination clauses, guarantees supporting the issuance, place of issuance, applicable law, if appropriate, establishment of the internal regulations of the bondholders' syndicate and appointment of the bondholders' syndicate representative (*comisario*) in the case of the issuance of ordinary debentures or bonds, if required, admission to trading, etc.) and to the conduct of any and all formalities that may be necessary for the implementation of the specific issues approved under this delegation.

5. Admission to trading.- The Company shall, when appropriate, make application for trading of the securities issued by the Company under this authorisation on official or unofficial, organised or other, and Spanish or foreign secondary markets, and the Board of Directors shall be authorised as broadly as required by law to carry out all acts and formalities that may be required for admission to listing with the appropriate bodies of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, to the extent any such formalities are required, and in such case, the interests of the shareholders or debenture-holders opposing or not voting on the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by stock market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing, and delisting.

6. Guarantee in support of issues of securities by subsidiaries.- The Board of Directors is also authorised to guarantee on behalf of the Company, and within the limits set forth above, new issuances of securities by subsidiaries during the effective period of this resolution.
7. Power of substitution.- Pursuant to the provisions of section 249.bis.1) of the Companies Act, the Board of Directors is expressly authorised to further delegate the powers contemplated in this resolution.

Finally, it is proposed to deprive of effect Resolution Six adopted by the shareholders at the General Shareholders' Meeting of the Company held on 22 April 2016 authorising the Company's Board of Directors to issue ordinary bonds or debentures and other fixed-income securities, as well as notes.

It is stated for the record that the directors have prepared a report providing a rationale for the proposal presented herein.



**PROPOSED RESOLUTION REGARDING ITEM TEN ON THE AGENDA, DELEGATION OF POWERS TO AMEND, SUPPLEMENT, EXECUTE AND IMPLEMENT THE RESOLUTIONS ADOPTED BY THE SHAREHOLDERS ACTING AT THE GENERAL MEETING, TO FORMALISE AND RECORD SUCH RESOLUTIONS, AND TO MAKE THE REQUIRED DEPOSIT OF ACCOUNTS**

It is proposed to approve the delegation to the Board of Directors, on the broadest of terms, with powers to further delegate and substitute to any of its members, to the non-member Secretary of the Board of Directors and to the non-member Deputy Secretary of the Board of Directors, all of them jointly and severally, all powers as are required to interpret, execute and carry into effect the resolutions adopted at this General Meeting, including the execution of such public or private documents as may be required, the publication of any such announcements as are legally required, the registration with any registers as may be appropriate, and the performance of any such acts and procedures as may be necessary for such purpose; this includes the power to correct any defects, omissions or errors that may be found, including those noted in the verbal or written assessment by the Mercantile Registry, that might prevent the effectiveness of the resolutions, as well as making the required deposit of accounts with the Mercantile Registry.



## CONSULTATIVE ITEM

### **PROPOSED RESOLUTION REGARDING ITEM ELEVEN ON THE AGENDA. ANNUAL DIRECTOR REMUNERATION REPORT FOR FINANCIAL YEAR 2017**

In compliance with the provisions of section 541 of the Spanish Companies Act, the Board of Directors has prepared an annual report on the remuneration of the Directors for financial year 2017, which has been made available to the shareholders, and which after a favourable report from the Nomination and Remuneration Committee, is presented to the shareholders at the General Shareholders' Meeting and submitted for their consultative vote as a separate item on the Agenda.

It is therefore proposed to approve on a consultative basis the annual report on remuneration of the Directors for financial year 2017.



## INFORMATIVE ITEM

### **PROPOSED RESOLUTION REGARDING ITEM TWELVE ON THE AGENDA. INFORMATION ON AMENDMENTS TO THE COMPANY'S BOARD OF DIRECTORS REGULATION IN ORDER TO INTRODUCE A NEW ARTICLE REFERRED TO THE STRATEGY COMMITTEE**

The General Meeting, in accordance with Article 528 of the Companies Act, takes note of the inclusion of a new article of the Board of Directors Regulations as approved in the 21 February 2018 Board meeting and regarding the regulation of a Strategy Committee, under the terms of the Board of Directors' Report drawn up for this purpose and made available to shareholders as from the call of this General Meeting.