



SCHEDULE I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

IDENTIFYING PARTICULARS OF ISSUER

END DATE OF FISCAL YEAR OF REFERENCE

12/31/2021

E.I.N. A28164754/ LEI 54930063C6K2TNFL6H10

Corporate name:

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

Registered Office:

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

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A OWNERSHIP STRUCTURE

A1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

No

Yes Board approval date mm/dd/yyyy

Minimum period of uninterrupted ownership required by the bylaws

Indicate whether the company has awarded votes for loyalty:

No

Yes

Date of the last modification of the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
August 6, 2021	6,580,655,340.79	58,065,534,079	58,065,534,079	N/A	58,065,534,079

Number of shares registered in the special register pending the expiry of the loyalty period

Remarks

Indicate whether different classes of shares exist with different associated rights:

Yes No

Class	Number of shares	Nominal amount	Nominal amount of voting rights	Rights and obligations conferred

Remarks

A.2 List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or corporate name of shareholder	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
LETTERONE INVESTMENT HOLDINGS, S.A.		77.704%			77.704%		

Remarks

Details of the indirect holding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote
LETTERONE INVESTMENT HOLDINGS, S.A.	L1R INVEST1 HOLDINGS S.A.R.L.	77.704%	0.000%	77.704%	N/A

Remarks

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Indicate the most significant movements in the shareholder structure during the year:

Most significant movements
<p>There have been no significant movements in the shareholder structure. For information purposes, it is noted that on August 4, 2021, the Company reported the full subscription of the capital increase approved by the Company's Shareholders' Meeting on May 31, 2021, which entailed issuing 51,387,555,100 ordinary shares of the Company for a total effective amount of 513,875,551 euros, and, consequently, the Company's share capital became 580,655,340.79 euros represented by 58,065,534,079 ordinary shares with a par value of 0.01 each. This capital increase was declared as implemented pursuant to a deed dated August 6, 2021, executed in the presence of the Madrid notary Ms. Eloísa López-Monís Gallego under number 2,237 of her protocol and registered at the Madrid Commercial Registry on August 9, 2021.</p>

A3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in section A2 above:

Name or corporate name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
DUCHARME, STEPHAN	0.0861%				0.0861%		
GARCÍA-LEGAZ PONCE, JAIME	0.00018%		0.0017%		0.0019%		
MAIA TAVARES DE ARAÚJO, MARCELO			0.0021%		0.0021%		
VALLÉS CEREZUELA, BASOLA			0.00239%		0.00239%		
WAHNON LEVY, JOSÉ	0.00026%		0.00178%		0.00204%		
Total	0.08656%		0.00814%		0.0947%		

Total percentage of voting rights held by the Board of Directors	0.0947%
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Remarks
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Details of the indirect holding:

Name or corporate name of director	Name or corporate name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote

Remarks
Letterone Investment Holdings, S.A., represented on the Board of Directors by Mr. Sergio Dias, holds 45,118,954,927 shares in the Company, representing 77.704% of its share capital.

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	77.704%
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Remarks

- A.4 Indicate, where applicable, any family, commercial, contractual or corporate relationships between owners of significant holdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, except for those reported in section A.6:

Name or corporate name of related-party	Type of relationship	Brief description

A.5 Indicate, where applicable, any commercial, contractual or corporate relationships between owners of significant holdings and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name or corporate name of related-party	Type of relationship	Brief description
L1 RETAIL (UK) LLP and L1 Retail (Jersey) LLP	Advisory service agreement	Provision of financial, strategic and commercial advisory and consulting services
L1R Invest1 Holdings S.à r.l.	Agreements within the group's comprehensive refinancing and recapitalization transaction.	Agreements executed with L1R Invest1 Holdings S.à r.l in the context of the group's comprehensive refinancing and recapitalization transaction, which was completed on September 2, 2021, as reported in the notice of Other Relevant Information published on the same day, under registration number 11,479.

A.6 Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the board and directors, or their representatives in the case of legal-entity directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent the significant shareholders, those whose appointment was proposed by the significant shareholders, or those related to significant shareholders and/or entities in its group, specifying the nature of such relationships. In particular, indicate, where applicable, the existence, identity and position of the board members, or the directors' representatives, of the listed company who are also members of the managing body, or their representatives, of companies with significant shareholdings in the listed company or in the companies in the group of those significant shareholders.

Name or corporate name of related director or representative	Name or corporate name of related significant shareholder	Name of the company in the group of the significant shareholder	Description of relationship / position
DUCHARME, STEPHAN	L1R INVEST1 HOLDINGS, S.A.R.L	L1 RETAIL (UK) LLP L1 RETAIL (JERSEY) LLP L1R HB Holdings Limited	Mr. DuCharme is a managing partner of L1 Retail (UK) LLP and L1 Retail (JERSEY) LLP and chairman of L1R HB Holdings Limited

DIAS, SERGIO FERREIRA	L1R INVEST1 HOLDINGS, S.A.R.L.	L1 RETAIL (UK) LLP, L1 RETAIL (JERSEY) LLP	Mr. Ferreira Dias is a partner of L1 Retail (UK) LLP and L1 Retail (JERSEY) LLP
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Remarks

A.7 Indicate whether the company has been notified of any side agreements affecting it pursuant to articles 530 and 531 of the Capital Companies Law. If so, provide a brief description and list the shareholders bound by the agreement:

Yes No

Parties to side agreement	% of share capital affected	Brief description of agreement	Expiration date of the agreement, if any

Remarks

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. If so, provide a brief description:

Yes No

Parties involved in concerted action	% of share capital affected	Brief description of concerted action	Expiration date of the concerted action, if any

Remarks

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year:

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A.8 Indicate whether there are any individuals or legal entities that exercise or may exercise control over the company in accordance with article 5 of the Securities Market Law: If so, identify:

Yes No

Name or corporate name
LETTERONE INVESTMENT HOLDINGS, S.A.

Remarks

A.9 Complete the following table with details of the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
28,908,084		0.0498%

Remarks

(*) Through:

Name or corporate name of direct holder	Number of direct shares
Total:	

Remarks

Explain any significant changes during the year:

Explanation of significant changes

In 2021, 409,177 shares have been delivered and 28,332,781 shares have been acquired in respect of directors' remuneration.

On the date of issue of this Report, the Company was the indirect owner of 28,908,084 treasury shares, representing 0.050% of the share capital.

A.10 Give details of the conditions and term of the current authority conferred by the shareholders' meeting on the board of directors to issue, buy back or transfer treasury stock.

On July 31, 2020, the Shareholders' Meeting delegated to the Board of Directors the power to increase share capital by granting it the power to exclude pre-emptive subscription rights up to a maximum overall nominal amount equal to 20% of the share capital on the authorization date, within the limits and with the requirements established in the Capital Companies Law, for a period of five years from the date of the resolution by the Meeting. This resolution rendered void the resolution adopted by the Shareholders' Meeting on April 22, 2016.

Likewise, on July 31, 2020, the Shareholders' Meeting resolved to authorize the Board of Directors, with the express power of delegation and subject to the general regime for issuing debentures, bonds and other securities exchangeable for existing shares of the Company and/or convertible into new shares of the Company, as well as warrants, in accordance with the provisions of articles 286, 297, 417 and 511 of the Capital Companies Law and article 319 of the Commercial Registry Regulations, to issue marketable securities one or more times within the maximum five-year period starting from the date of adopting the resolution, with a maximum amount of 480,000,000 euros.

Lastly, the Shareholders' Meeting held on April 20, 2018 expressly resolved to authorize the Board of Directors, with express powers of delegation, in accordance with the terms of article 146 of the Capital Companies Law, to proceed with the derivative acquisition of the Company's shares under the following conditions:

- (a) The Company can acquire shares directly or indirectly through its subsidiaries under the same terms as this resolution.
- (b) The shares can be acquired through sale/purchase transactions, swaps or any other transaction permitted under law.
- (c) The purchases may be made at any time up to the maximum amount permitted under law.
- (d) The purchases may not be made at a price exceeding the share price or less than the par value of the share.
- (e) This authorization is granted for a maximum term of five years from the time of this resolution.
- (f) As a result of the purchase of shares, including those that the Company or the person acting in their own name but on behalf of the company had acquired previously and had in their portfolio, the resulting equity may not be reduced to an amount less than the sum of the share capital plus the restricted legal or bylaw reserves, all in accordance with article 146.1.b) of the Capital Companies Law.

It was expressly stated that shares purchased as a result of this authorization may be used both for transfer or redemption and for application of the remuneration systems considered in paragraph three a) of article 146.1 of the Capital Companies Law, in addition to carrying out the programs which will foster participation in the Company's capital such as, for example, dividend reinvestment plans, incentive plans and other analogous instruments.

This resolution rendered void and revoked the unused amount of the authorization for the derivative acquisition of own shares granted by the Shareholders' Meeting on April 24, 2015.

A.11 Estimated float:

	%
Estimated floating capital	22.247%

Remarks

A.12 Indicate whether there are any restrictions (bylaw, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorization or notification that may be applicable, under industry-specific regulations, to acquisitions or transfers of the company's financial instruments.

Yes No

Description of restrictions

A.13 Indicate whether the shareholders' meeting has agreed to take breakthrough measures to prevent a takeover bid by virtue of the provisions of Law 6/2007.

Yes No

If so, explain the measures adopted and the terms on which the restrictions would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes No

If so, indicate the various classes of shares and, for each class of shares, the rights and obligations they confer.

B SHAREHOLDERS' MEETING

B.1 Indicate and describe any differences with respect to the minimum rules established in the Capital Companies Law (LSC) regarding the quorum required for the constitution of the shareholders' meeting.

Yes No

	Quorum % other than that established in article 193 of the LSC for general cases	Quorum % other than that established in article 194 LSC for the special cases described in article 194 LSC
Quorum required on first call		
Quorum required on second call		

Description of the differences

B.2 Indicate and, as applicable, describe any differences with respect to the rules established in the Capital Companies Law (LSC) for the adoption of corporate resolutions:

Yes No

Describe how they differ from the rules established in the Capital Companies Law.

	Qualified majority other than that established in article 201.2 LSC for the cases described in 194.1 LSC	Other cases requiring a qualified majority
% set by company for adopting corporate resolutions		

Describe the differences

B.3 Indicate the rules governing amendments to the company's bylaws. In particular, indicate the majorities required to amend the bylaws and any rules to protect shareholders' rights when amending the bylaws.

The rules applicable are in line with the regulations established in the Capital Companies Law. Therefore, in accordance with article 16 of the Bylaws, the Shareholders' Meeting is the body with jurisdiction to amend the Bylaws. With respect to the right to information in the case of amendment, article 19 of the Bylaws establishes that, in addition to the information required by law, the call notice must include the right corresponding to all the shareholders to examine at the registered office the complete text of the amendment proposed and the report on it, and to request the delivery or free shipment of these documents.

Likewise, under article 286 of the Capital Companies Law, where an amendment is proposed to the Bylaws, the directors must draft the full text of the proposed amendment and a report justifying it, which must be made available to the shareholders with the notice of call of the Shareholders' Meeting that is to deliberate on such amendment.

With respect to the quorum and the majorities needed to approve an amendment to the Bylaws of DIA, article 23 of the Bylaws, pursuant to article 194 of the Capital Companies Law, requires that, in order for the Shareholders' Meeting to be validly convened at first call, shareholders holding at least 50% of the subscribed voting capital must be present in person or by proxy. At second call, it will suffice for 25% of the capital to attend. In order to adopt a resolution to amend the Bylaws, pursuant to article 201 of the Capital Companies Law, if the capital present in person or by proxy exceeds 50%, at first or second call, it will suffice for the resolution to be adopted by absolute majority. However, the affirmative vote of two-thirds of the capital present in person or by proxy at the Meeting will be necessary if, at second call, shareholders representing 25% or more of the subscribed voting capital without reaching 50% are present.

B.4 Give details of attendance at Shareholders' Meetings held during the reporting year and the two previous years

Date of shareholders' meeting	Attendance data				Total
	% attending in person	% by proxy	% distance voting		
			Electronic vote	Other	
March 20, 2019	31.24	16.77	4.41	1.88	54.30
August 30, 2019	2.13	74.09	0.00	0.07	76.29
October 22, 2019	0.21	76.72	0.00	0.06	76.99
July 31, 2020	4.07	76.22	0.0067	0.0727	80.37
May 31, 2021	0.0198	78.4457	4.1475	0.4324	83.0454
Of which free float					
March 20, 2019	0.53	16.64	1.15	1.88	20.20
August 30, 2019	1.93	0.93	0.00	0.07	2.93
October 22, 2019	0.01	3.55	0.00	0.06	3.62
July 31, 2020	0.06	1.40	0.006	0.07	1.5372
May 31, 2021	0.00507	3.626	0.1389	0.4324	4.2028

Remarks

B.5 Indicate whether there has been any item on the agenda at the shareholders' meetings held during the year that has not been approved by the shareholders.

Yes No

Items on the agenda that have not been approved	% vote against

(*) If the non-approval of the item is for a reason other than votes against it, it will be explained in the text portion and "n/a" will be entered in the "% of votes against" column.

B.6 Indicate whether the bylaws impose any minimum requirement on the number of shares required to attend the shareholders' meetings or to vote by remote means:

Yes No

Number of shares required to attend the shareholders' meeting	
Number of shares required to vote remotely	

Remarks

B.7 Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the Shareholders' Meeting.

Yes No

Explanation of decisions that must be submitted to the shareholders' meeting other than those established by law

B.8 Indicate the address and means of accessing corporate governance content on the company's website as well as other information on shareholders' meetings which must be made available to shareholders on the company's website.

The address of DIA's website is www.diacorporate.com . To obtain corporate governance information (i.e. information on the Company's Board of Directors, Committees or internal regulations), select the "Ethics and Corporate Governance" tab.

In order to access all information on the Shareholders' Meetings that must be available to the shareholders, select the "Shareholders and Investors" tab, then click the "Shareholders' Meeting" tab. Furthermore, during the notice period for the Shareholders' Meeting, all related information is available to the shareholders through a specific link provided on the home page.

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the bylaws:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the shareholders' meeting	8

Remarks

C.1.2 Complete the following table with the members of the board:

Name or corporate name of director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
DUCHARME, STEPHAN		Executive	Executive Chairman	5/20/2019	8/30/2019	Shareholders' Meeting Resolution
FERREIRA DIAS, SERGIO ANTONIO		Non-executive nominee	Member	5/20/2019	8/30/2019	Shareholders' Meeting Resolution
GARCÍA-LEGAZ PONCE, JAIME		Independent	Member	1/10/2019	3/20/2019	Shareholders' Meeting Resolution
WAHNON LEVY, JOSÉ		Independent	Member	5/20/2019	8/30/2019	Shareholders' Meeting Resolution
VALLÉS CEREZUELA, BASOLA		Independent	Member	1/14/2020	7/31/2020	Shareholders' Meeting Resolution
MAIA TAVARES DE ARAÚJO, MARCELO		Other non-executive directors	Member	1/1/2021	5/31/2021	Shareholders' Meeting Resolution
DELGADO, LUISA		Independent	Lead independent director	11/1/2021	11/1/2021	Shareholders' Meeting Resolution
TRIUŠ OLIVA, VICENTE		Independent	Member	9/29/2021	9/29/2021	Resolution of the Board Of Directors

Total number of directors	8
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Indicate if any directors, whether through resignation or by a shareholders' meeting resolution, have left the board during the period subject to this report:

Name or corporate name of director	Category of director at the time of leaving	Date of last appointment	Leaving date	Specialized committees of which he/she was a member	Indicate whether the director left before the end of the term
COUVREUX, CHRISTIAN	INDEPENDENT	8/30/2019	2/15/2021	Nomination and Remuneration Committee	Yes

Reason for the removal, where it has taken place before the end of the term and other observations; information on whether the director has sent a letter to the other board members and, in the case of removals of non-executive directors, explanation or opinion of the director who has been removed by the shareholders' meeting
The removal was due to the death of Mr. Christian Couvreaux on February 15, 2021.

C.1.3 Complete the following tables on board members and their respective categories:

EXECUTIVE DIRECTORS

Name or corporate name of director	Position per the company's organizational chart	Profile
DUCHARME, STEPHAN	EXECUTIVE CHAIRMAN	Holds a degree in Political Science and Economics from the University of California at Berkeley and an MBA from INSEAD. He has over 30 years of experience leading cutting-edge organizations in the financial, industrial and retail sectors. Starting his professional career at Salomon Brothers in 1987, Mr. Ducharme held various posts at such entities as the European Bank for Reconstruction and Development (EBRD) and Alfa Group. He is currently the managing party of the retail division of L1 Retail LLP.

Total number of executive directors	1
% of total board	12.5%

Remarks

NON-EXECUTIVE NOMINEE DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder	Profile

	represented or that proposed appointment	
FERREIRA DIAS, SERGIO ANTONIO	L1R INVEST1 HOLDINGS, S.A.R.L.	Holds a Degree in Business Administration – Finance and Marketing – from Fundação Armando Alvarez Penteado (Brazil). This investor, entrepreneur and start-up adviser has been key to the creation and strategic development of companies and brands around the world. An expert in retailing and the food industry, he joined Carrefour Group in 1988, where he rose to become deputy CFO and general manager of the non-food eCommerce sites. In 2002 he joined LVMH Moët Hennessy to leads its Wines and Spirits Division before being appointed CEO of Millennium (Belvedere Vodka), which also forms part of the group, in 2005. Mr. Ferreira Dias has also been executive chairman of SecretSales.com and CEO of Brands4friends.de, among other posts. He is a partner of L1 Retail LLP.

Total number of nominee directors	1
% of total board	12.5%

Remarks

NON-EXECUTIVE INDEPENDENT DIRECTORS

Name or corporate name of director	Profile
GARCÍA-LEGAZ PONCE, JAIME	Holds a Bachelor's Degree in Economics and Business Administration from CUNEF (Spain) and a PhD in Economics from Universidad Complutense de Madrid. He has been a State Trade Expert and Economist since 1994. Mr. Garcia-Legaz has held important positions in Spanish Government bodies, rising to become Secretary of State for Commerce, International Trade and Foreign Investment from 2011 to 2015, and chairman of ICEX, chairman of Invest in Spain and chairman of the CECO Foundation. Between 2015 and 2017, he was executive chairman of CESCE, chairman of the International Consortium of Credit Insurers and chairman of Dun & Bradstreet. Lastly, between 2017 and 2018 he was executive chairman and CEO of AENA. He has been member of the board of directors of Ahorro Corporación Financiera, S.A. He is currently a member of the board of directors of AENA DESARROLLO INTERNACIONAL, SME, SA, Canal de Isabel II and Nature and Grupo Pañalón, S.A.
WAHNON LEVY, JOSÉ	Has a Degree in Economics from Universidad de Barcelona, a Law Degree from Universidad Complutense de Madrid and completed a PMD at Harvard Business School. He began his professional career at PwC, where he was made partner in 1987. He headed up the Financial Services area at PwC from 1987 to 2003 and the Audit Division between 2003 and 2007. Mr. Wahnnon has also held board-level positions at major companies of the likes of Ezentis, Dexia-Sabadell and Bankia.

VALLÉS CEREUZUELA, BASOLA	Ms. Basola Vallés has 25 years of domestic and international professional experience focused on the retail distribution sector, both digital and physical, as an investor, consultant and business manager. She began her professional career in the finance world in the United Kingdom at Nomura Securities and Morgan Stanley. She then joined McKinsey London where she worked for 6 years mainly with companies from the distribution sector in Europe. She continued her career at the Baugur Group private equity fund specialized in European distribution companies, where she was head of management responsible for growth and expansion of the investees. More recently, Ms. Vallés was the head of the books, music and entertainment divisions at Amazon España and CEO of Entradas Eventim (entradas.com), as well as a member of the advisory board of ING Spain and of the innovation board of Prosegur Cash. She is currently an independent director at Aegon Spain and senior vice president of Salesforce for EMEA. Ms. Vallés holds a degree in Business Administration and Management from the European Business School and has an MBA from the Leonard N. Stern School of Business of New York.
DELGADO, LUISA	Luisa Delgado holds a law degree from the University of Geneva, an LL.M. from Kings College, University of London and a postgraduate degree in European Studies from Lusíada University in Lisbon. She has over 30 years of leadership and management experience at companies such as Procter & Gamble, where she was CEO of the Nordic region, and prior to that Head of Human Resources for Western Europe. She also led SAP's Human Resources division where she was an Executive Board Member. From 2013 to 2018, she was CEO of Safilo Group, the world's second largest premium eyewear group. Subsequently, she created her own investment fund focused on luxury products which she currently combines with the posts of chairwoman of the board of directors of Schleich GmbH and of Swarovski SIH, and member of various boards of directors such as those of Ingka Holding (Grupo IKEA), Telia Company, Fortum and Barclays Bank Switzerland SA, and of AO World (until January 31, 2022) and Zertus GmbH (until July 15, 2022).
TRÍUS OLIVA, VICENTE	Holds a degree in Economics from the University of Barcelona and completed a course in Executive Management at Harvard Business School and the Darden School of Business. He has more than 40 years of experience in the food sector in the areas of e-commerce and innovation in multinational companies. He is currently executive chairman of retail and innovation at JBS USA, one of the largest multinational food companies, where he leads the e-commerce business. Previously, he worked in companies such as Walmart, a world leader in the sector, where he held, among other positions, CEO for Brazil for 10 years; in Loblaw, Canada's leading food retailer, where he was Chairman; and in Carrefour, where he was Executive Director for Europe and member of the Group Management Committee. He also serves on the Boards of Directors of Pilgrims Pride Corporation, a company listed on Nasdaq Advisor and Picpay.

Total number of independent directors	5
% of total board	62.5%

Remarks

Indicate whether any independent director receives from the company, or its group, any amount or payment other than standard director remuneration, or holds or has held, in the last year, a business relationship with the company or any group company, whether in their own name or as a significant shareholder, director or senior executive of an entity which holds or held said relationship.

If so, include a reasoned statement from the board detailing the reasons why the director may perform their functions as an independent director.

Name or corporate name of director	Description of the relationship	Reasoned statement

OTHER NON-EXECUTIVE DIRECTORS

List the other non-executive directors and state the reasons why they cannot be considered nominee or independent directors, detailing their relationships with the company, its executives or shareholders:

Name or corporate name of director	Reasons	Company, executive or shareholder with whom the relationship is held	Profile
MAIA TAVARES DE ARAÚJO, MARCELO	Mr. Marcelo Maia Tavares de Araújo held the post of chief executive of DIA Brazil until December 31, 2020, which is why he has been proposed as other non-executive director.	DIA Brasil Sociedade Limitada	Marcelo Maia Tavares de Araújo is a civil engineer and holds a Master's in Business Administration from the London Business School. Specialist in trade and services, with C-level in large distribution chains and in managing large companies, including mergers and acquisitions, internationalization and company start-up processes. Maia founded and managed one of the main distribution chains in Northeast Brazil, Lojas Maia, until it was bought by Magazine Luiza where he held the position of regional director. He was subsequently appointed as Secretary of State for Commerce and Services of the Ministry of Industry, Foreign Trade and Services and a member of the board of BNDESPar. He is also a member of the board of directors of Constructora de Pacaembu, S.A.

Total number of other non-executive	1
% of total board	12.5%

Remarks

Indicate any changes in the period as regards the category of each director:

Name or corporate name of director	Date of change	Previous category	Current category

Remarks

C.1.4 Complete the following table indicating the number of female directors at the end of the last 4 years and their category:

	Number of female directors				% of total directors of each type			
	Year n	Year n-1	Year n-2	Year n-3	Year n	Year n-1	Year n-2	Year n-3
Executive	0	0	0	0	0%	0%	0%	0%
Nominee	0	0	0	0	0%	0%	0%	0%
Independent	2	1	0	2	40%	25%	0%	40%
Other non-executive	0	0	0	0	0	0%	0%	0
Total	2	1	0	2	25%	16.66%	0%	25%

Remarks

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Pursuant to the definition stated in the Audit Law, small and medium-sized enterprises must at least indicate the policy established in relation to gender diversity.

Yes No Partial policies

If so, describe the diversity policies, their objectives, the measures and the way in which they were applied and their results during the year. Also indicate the specific measures adopted by the board of directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain why.

Description of the policies, their objectives, the measures and the way in which they were applied and their results
<p>In accordance with article 11 of DIA's Board Regulations, the Board will ensure that all director selection procedures promote gender diversity, as well as diverse experience and knowledge, with no implicit biases that may entail discrimination or, in particular, hinder the selection of female directors.</p> <p>The Director Selection Policy (approved in December 2015 and based on the current article 11 of the Board Regulations) establishes, among others, the following principles which guide the director selection procedures:</p> <ul style="list-style-type: none"> • It must not have an implicit bias nor discriminate on grounds of race, gender or any other type. • It must favor diversity of knowledge, experience and gender among the Board. • It must enable the Board of Directors to have diversity and plurality regarding the members' training, culture and internationalization. • To avoid hampering the selection of female directors, the Company must deliberately seek and include, among the potential candidates, women who meet the professional profile requirements with the target that in the following years the number of female directors should represent at least 30% of all the members of the Board of Directors. • It must achieve a balanced composition, structure and size of the Board as a whole which enriches decision-making and contributes multiple viewpoints to debates with an ample majority of non-executive

directors, with the necessary minimum number of executive directors and ensuring that the proportion that may exist between nominee and non-executive directors respects the guidelines established in the Board Regulations.

Likewise, the Selection Policy requires that all the candidates must have the necessary training, qualifications and professional experience, thus favoring the Board's cultural diversity and internationalization.

The recent experience in applying such rules shows that age, disability or gender are not an obstacle to joining the Company's Board and, where applicable, retaining the talent in the last few years.

Lastly, upon issuance of the call notice for each Shareholders' Meeting in which proposals for appointment, ratification and re-election of the Board members are submitted to the shareholders for consideration, the corresponding reports from the Nomination and Remuneration Committee and from the Board of Directors are made available to them. These reports include the Board's assessment of the competence, experience and merits of the various candidates as well as their suitability for fulfilling their duties as directors.

In line with the above, and as stated in the reports made available to the shareholders, the director selections (apart from those proposed by the significant shareholders) have followed the guidelines envisaged in the Director Selection Policy approved by the Company on December 11, 2015 and, as stated above, the aforementioned guiding principles, as well as their diversity objectives, were respected. The objectives were partially met in 2021. With the appointment by the shareholders' meeting, with effect on November 1, 2021, of the director Luisa Delgado, the percentage of female directors is 25%. The Board will endeavor to ensure that the successive searches to select candidates to fill the existing vacancy enable it to approach the target of 30% set for the following years.

C.1.6 Explain the measures that may have been agreed by the nomination committee so that the selection procedures do not include any implicit bias that prevent the selection of female directors, and so that the company deliberately searches for and includes women with the appropriate profile among the potential candidates, enabling it to reach a balanced presence of women and men. Indicate as well whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of the measures

In accordance with the provisions derived from amendments made to the Capital Companies Law in corporate governance matters, the Nomination and Remuneration Committee has been entrusted with establishing a representation target for the least represented gender on the Board, and has drawn up guidelines on how to achieve this target.

Within the DIA Group's internal regulations, the binding rule on hiring people, which affects executive personnel recruitment processes, establishes that, under equal conditions, the hiring of the under-represented gender will be given priority in the recruitment process.

As a result of such efforts, the Company now meets the target set out in Recommendation 14 of the Code of Good Governance.

When, despite the measures taken, there are few or no female directors or female senior executives, explain the reasons why:

Explanation of the reasons

The Nomination and Remuneration Committee is aware that it does not currently comply with the corporate governance recommendation regarding the percentage of female directors and, accordingly, is taking the necessary measures to increase the number of women on the Board of Directors and in senior management. However, this increase can only take place when new candidates are selected to fill future vacancies on the board, as occurred in the case of the appointment of Ms. Luisa Delgado in November 2021.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The Nomination and Remuneration Committee and the Board of Directors will ensure that all director selection procedures promote gender diversity, as well as diverse experience and knowledge, with no implicit biases that may hinder the selection of female directors, ensuring that the Company deliberately looks for, and includes among potential candidates, any women who meet the professional profile sought. This fact has been ratified by the appointments of Mr. Marcelo Maia Tavares de Araújo, Mr. Vicente Trius and Ms. Luisa Delgado.

C.1.8 Explain, if applicable, the reasons why nominee directors have been appointed at the request of shareholders holding less than 3% of the share capital:

Name or corporate name of shareholder	Reason

Give details of any rejections of formal requests for board representation from shareholders whose shareholding is equal to or greater than that of other shareholders who have successfully requested the appointment of nominee directors. As applicable, explain why these requests have not been entertained:

Yes No

Name or corporate name of shareholder	Explanation

C1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
DUCHARME, STEPHAN	All of the powers of the board, except for those which cannot be delegated in accordance with the bylaws, the board regulations and the applicable legislation, have been delegated on a permanent basis and to be exercised severally.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or corporate name of director	Corporate name of group entity	Position	Do they have executive functions?

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Remarks

C1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Office
GARCÍA-LEGAZ PONCE, JAIME	Nature	Member of the Board of Directors
GARCÍA-LEGAZ PONCE, JAIME	Pañalón Group	Member of the Board of Directors
GARCÍA-LEGAZ PONCE, JAIME	AENA DESARROLLO INTERNACIONAL, SME, SA	Member of the Board of Directors
GARCÍA-LEGAZ PONCE, JAIME	Canal de Isabel II	Member of the Board of Directors
VALLES CEREZUELA, BASOLA	Aegon Spain	Member of the Board of Directors
VALLES CEREZUELA, BASOLA	SVP EMEA Salesforce	Member of the Board of Directors
DELGADO, LUISA	Telia Company	Member of the Board of Directors
DELGADO, LUISA	Ingka Holding (IKEA Group)	Member of the Board of Directors
DELGADO, LUISA	AO World (until January 31, 2022)	Member of the Board of Directors
DELGADO, LUISA	Barclays Bank Switzerland SA	Member of the Board of Directors
DELGADO, LUISA	Fortum	Member of the Board of Directors
DELGADO, LUISA	Zertus GmbH (until July 15, 2022)	Member of the Board of Directors
DELGADO, LUISA	Schleich GmbH	Member of the Board of Directors
DELGADO, LUISA	Swarovski SIH	Chairman of the Board of Directors (Verwaltungsrat)
TRIOUS OLIVA, VICENTE	JBS USA	Executive chairman of retail and innovation
TRIOUS OLIVA, VICENTE	Pilgrims Pride Corporation	Member of the Board of Directors
TRIOUS OLIVA, VICENTE	Picpay	Member of the Board of Directors
MAIA TAVARES DE ARAÚJO, MARCELO	Constructora Pacaambu, S.A.	Member of the Board of Directors

Remarks

Mr. Stephan DuCharme is managing partner of the retail division of L1 Retail (UK) LLP and of L1 Retail (Jersey) LLP. Mr. Sergio Antonio Ferreira Dias is managing partner of L1 Retail LLP.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Delgado, Luisa	Senior Advisor of the founder and executive chairman of TCC Global

Remarks

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes No

Explanation of the rules and identification of the document where they are regulated
Article 25.4 of the Board Regulations establishes that a director must not sit – in addition to the Company Board – on more than six boards of directors of other companies. To this end, any boards to which a director belongs as a nominee director, proposed by the Company or by any group company, will not be taken into account; nor will other appointments be taken if account if the director is not actually and truly dedicated to a commercial activity. Holding companies or companies which are merely investment vehicles are excluded for these purposes. Moreover, companies belonging to the same group shall be treated as a single company.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accrued by the board of directors during the year (thousands of euros)	682
Funds accumulated by current directors for long-term savings systems with vested economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unvested economic rights (thousands of euros)	
Funds accumulated by former directors for long-term savings systems (thousands of euros)	

Remarks

C.1.14 Indicate the members of senior management who are not, in turn, executive directors, and indicate the total remuneration paid to them during the year:

Name or corporate name	Position(s)
MR. JESÚS SOTO CANTERO	GROUP CHIEF FINANCIAL OFFICER
MR. ALEJANDRO GRANDE	GROUP HUMAN RESOURCES DIRECTOR
MR. SANTIAGO MARTÍNEZ-LAGE SOBREDO	GROUP CORPORATE DIRECTOR
MR. CARLOS VALERO ALCÁNTARA	GROUP IT DIRECTOR
MS. SAGRARIO FERNÁNDEZ BARBÉ	GROUP GENERAL COUNSEL AND COMPLIANCE OFFICER
MS. MURIEL UZAN	GROUP INTERNAL AUDIT DIRECTOR
MR. RICARDO ÁLVAREZ ELENA	CHIEF EXECUTIVE FOR SPAIN
MR. MIGUEL GUINEA VALLE	CHIEF EXECUTIVE FOR PORTUGAL
MR. ENEAS PESTANA	CHIEF EXECUTIVE FOR BRAZIL
MR. MARTÍN TOLCACHIR	CHIEF EXECUTIVE FOR ARGENTINA
MR. JOSÉ MARÍA JIMÉNEZ MILLARES	CHIEF EXECUTIVE OF CLAREL
MR. LUIS PAULO MAIA	CHIEF EXECUTIVE FOR BU PRODUCT

Number of women in senior management	2
As a percentage of senior management	16.66%

Total remuneration received by senior management (thousands of euros)	11,820
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Remarks
<p>This section shows the people who form part of the Group's senior management at December 31, 2021.</p> <p>Notwithstanding the foregoing, the amount stated in this section indicates the total amount received by the senior managers during the year and, therefore, includes the amounts received by Pedro Barsanti Vigo and Carlos Ezquerro González.</p> <p>In addition, as of the date of this report, Andrés Vegas, Pilar Hermida and Marcio Barros have joined the senior management team and Luis Paulo Maia has left it. The following departures are also expected: Miguel Guinea Valle on March 31, 2022, Eneas Pestana on May 5, 2022 and Alejandro Grande on May 13, 2022.</p>

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C.1.15 Indicate whether the Board regulations were amended during the year:

Yes No

Description of amendments
<p>The Board Regulations have been amended by means of a comprehensive reform, giving rise to a new set of Regulations, with the aim of adapting them to the new circumstances of the Company and its managing body, as well as to the new legislative developments published since their last revision (in particular, the reform of the Capital Companies Law by Law 5/2021, of April 12, 2021), while also taking into consideration the changes in corporate governance standards and recommendations, seeking to streamline and enhance the legislative technique of the Regulations with the ultimate goal of achieving greater efficiency and functionality in the Company's highest managing body.</p> <p>In particular, the changes to the Code of Code of good governance for listed companies made in June 2020 were taken into account when revising articles 8, 10 and 13.</p> <p>Article 6 was amended to implement the new rules on related-party transactions laid down in the Capital Companies Law, in order to systematize the regime governing related-party transactions, introduce new rules for their approval, and strengthen transparency. The changes introduced by the new article 5 also stem from the reform of the Capital Companies Law.</p>

Description of amendments
<p>The amendments introduced in the new articles 13, 23, 24 and 32 of the Regulations have taken into account the new provisions introduced by Circular 3/2021, particularly aimed at incorporating certain improvements into the functions of the Board's advisory committees.</p> <p>The reform of the Regulations also arose from the objective of adapting its rules to the new situation of the Company and its Board of Directors and of seeking to enhance the efficiency and functionality of the managing body, which will be a key factor in this new stage for the Company once full financial stability is achieved and with a view to its future strategy of consolidation and growth.</p> <p>Thus, for example, the new article 19 of the Regulations includes the possibility of holding virtual board meetings, thereby giving the board greater flexibility and facilitating and encouraging the holding of its meetings and attendance by all of its members.</p> <p>Furthermore, the changes introduced into the new articles 14, 15, 16, 17, 18, 20, 21, 22, 28 34 and 35 are proposed in order to encourage directors' engagement in meetings and to ensure the smooth functioning of the body, as well as the information the directors need to discharge their office.</p> <p>Lastly, the Regulations have been streamlined to facilitate their comprehension and practical application, by deleting, for example, sentences that were mere transcriptions of statutory provisions or that lacked true material substance that contributed to ensuring the best management of the Company.</p> <p>The introduction of certain technical and systematic improvements is proposed, as is the elimination of references that have been rendered obsolete by the Company's customary practice.</p> <p>In particular, these amendments have been introduced in the new articles 1, 2, 3, 4, 5, 7, 9, 11, 12, 25, 29, 30, 31, 32, 33, 34 and 35.</p>

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, procedures to be followed and criteria to be used for each of these procedures.

I. Selection, appointment and re-election

The selection, appointment and re-election of directors is regulated in articles 5, 11, 13, 24 and 32 of the Board Regulations, as well as in the Director Selection Policy, approved by the Board at its meeting on December 11, 2015.

The bodies in charge of selecting and appointing the directors will ensure that they are honorable, suitable, of reputed solvency, competence and experience, and will be particularly strict in relation to any persons appointed to cover independent director positions or to belong to the committees.

As regards the selection process, the Board of Directors, as part of its non-delegable powers, will resolve whether it is adequate to (i) appoint a new director by co-option to cover any vacancy; (ii) propose to the Shareholders' Meeting the appointment or ratification of a director and/or increase the number of Board members; (iii) fulfill a shareholder's request to uphold its right of proportional representation; or (iv) appraise the possible re-election of a director whose term is nearing expiration.

In any of the foregoing cases the Board, or its chairman, on its behalf, will formally entrust the Nomination and Remuneration Committee with an examination and, where appropriate, selection of directors among the candidates.

The Nomination and Remuneration Committee, further to express instructions from the Board of Directors, will convene as soon as possible in order to begin the selection process, and may be assisted by independent professionals specializing in selection processes and head hunting, in order to find the most suitable candidates.

Once the Nomination and Remuneration Committee has selected the directors, it will individually interview each candidate separately. The opinions gathered on the various candidates will be jointly examined and the relevant conclusions drawn, which will be recorded in an explanatory report from the Nomination and Remuneration Committee, to be submitted to the Board.

Any proposal to the Shareholders' Meeting will in any case include an explanatory report from the Board of Directors, evaluating the competence, experience and merits of the candidate proposed; this will be attached to the minutes of the Shareholders' Meeting or the board meeting.

The candidates chosen must contribute with their profile to make sure that they have (i) ample knowledge and experience in the sectors (especially consumer goods and retail) and in the Spanish and foreign markets where DIA operates, as well as the economic and financial factors (with special competences, experience and knowledge on accounting and risk management matters); (ii) a strong strategic international vision for businesses and extensive experience in business management, leadership and strategy; (iii) maximum level of ethics, representation and respect for the business community in general; and (iv) maximum level of loyalty, commitment and sufficient dedication to the Company's project.

The diversity in the group of directors and the various origins and profiles of each Board member are expected to meet the Company's current and future strategic needs.

If the Board of Directors does not follow the proposals and reports provided by the Nomination and Remuneration Committee, it must explain the reasons for its actions and duly record this in the minutes.

All directors will be appointed by the Shareholders' Meeting or Board of Directors, as the case may be, following the provisions of the Capital Companies Law, the Bylaws and the Board Regulations, as well as the Director Selection Policy.

An appointment will be announced to the market and, after a Shareholders' Meeting is called, the résumé of the candidate will be made available to the shareholders, as well as an explanatory report from the Board of Directors and from the Nomination and Remuneration Committee, as the case may be, on the Company's website.

II. Evaluation

Article 6 of the Board Regulations envisages that the quality and efficiency of the Board will be evaluated once a year, as well as performance by the Board chairman and Company CEO, the operation and composition of its Committees, diversity in Board composition and competences, and the performance and contribution made by each director, particularly examining the managers of the various Committees.

In order to evaluate the various Committees, the reports submitted by the latter to the Board will be examined. When evaluating the Board, the report submitted by the Nomination and Remuneration Committee will be taken into account.

This task is covered by the policy to fulfill corporate governance rules applicable to the Company, thereby

fulfilling Recommendation 36 of the Good Governance Code.

III. Removal

Article 22 of the Board Regulations envisages that directors will no longer hold office upon the expiration of their term, if so resolved by the Shareholders' Meeting in the exercise of its powers, or when a director resigns or is dismissed.

Any directors affected by proposed removals will refrain from participating in any related discussion and vote.

The Board of Directors may only propose the removal of an independent director before expiration of the bylaw term where there is just cause, ascertained by the Board of Directors after receiving a report from the Nomination and Remuneration Committee. To this end, a breach of the duties inherent to director status will constitute just cause, or if the director has subsequently become subject to any of the circumstances envisaged in article 22.2. The removal may also be proposed as a result of tender offers, mergers or other similar corporate transactions that significantly change the Company's capital structure.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organization and in the procedures applicable to its activities:

Description of amendments
<p>With respect to fiscal year 2021, the Board of Directors, at the proposal of the Nomination and Remuneration Committee, engaged the services of a specialized firm (Fidelio Partners) to conduct a full and rigorous evaluation of the performance of the Board of Directors and its Committees with the help of an external consultant. The conclusions of Fidelio Partners' evaluation report were presented, after having been considered by the Nomination and Remuneration Committee, at the board meeting held on February 23, 2022 and, based on such conclusions, an action plan is being pursued to implement the areas for improvement identified by the external consultant and discussed by the Board of Directors, which will be implemented in the coming months with support from Fidelio Partners. Although the consultant concluded that, generally speaking, DIA's Board of Directors performed its functions adequately, Fidelio Partners' observations centered on the following focal points for improving the efficiency of the Board of Directors and its Committees:</p> <ul style="list-style-type: none">- Actions to increase the effectiveness of the directors' contribution to creating value and to the long-term strategy of the company and the consideration of critical business aspects.- Actions to support the work of the Chairman of the Board in his or her capacity as such.- Actions to facilitate the work of the Committees as advisory bodies that support the Board.- Actions to strengthen the Board's interaction in the Company's relations with its stakeholders (team, investors, etc.).

Describe the evaluation process and the areas evaluated by the board of directors, with the assistance of an external consultant, as the case may be, with respect to the operation and composition of the board and its committees and any other areas or features evaluated.

Description of the evaluation process and the areas evaluated

As noted above, this evaluation of the performance of the Board of Directors and its Committees has been conducted with the help of a specialized external consultant, Fidelio Partners. This evaluation process has been rigorous and complete, including interviews with all of the members of the Board and of the management team of the Company (up to a total of 22 detailed interviews), a review of the materials and procedures of the Board and its Committees, attendance at the meetings of the latter to understand their dynamics, evaluation of the composition and the performance of the directors and of the support they receive to discharge their offices and an in-depth and transparent discussion of the data and observations gathered with a view to contributing to the preparation of an action plan.

The main conclusions of the evaluation have been mentioned above and center on continually improving the performance of the Board and its Committees so that they can continue to contribute, in the best way possible, to developing the strategy of the Company and its Group and creating sustainable value in the long term.

C.1.18 Breakdown in those years in which the evaluation has been assisted by an external auditor, the business dealings that the consultant or any company in its group has with the company or any company in its group.

There is no business relationship between the Company (or any company in its Group) and the external adviser (or any company in its Group) to report.

C.1.19 Indicate the cases in which directors must resign.

The Regulations of the Board of Directors regulate this aspect in article 13, which stipulates that directors must tender their resignation to the Board of Directors and complete the corresponding resignation if the Board deems it appropriate, in the following cases:

- (a) When they are involved in any of the cases of conflicts of interest or prohibition provided for in the law, the articles of association and the Board Regulations;
- (b) When situations affecting them, whether or not related to their performance at the Company, could damage the good name or reputation of the Company or they lose the commercial and professional good repute required to be a director of the Company;
- (c) When they cease to hold the executive positions to which their appointment as a director is linked;
- (d) When the Board of Directors determines that they have seriously breached their obligations in the performance of their functions as a director;
- (e) When their continuance on the Board of Directors may jeopardize, directly, indirectly or through related persons, the loyal and diligent performance of their duties as directors or the interests of the Company, or when the reasons for which they were appointed cease to exist. In particular, in the case of non-executive nominee directors, when the shareholder they represent sells or transfers all or part of its holding, with the result that it is no longer significant or sufficient to justify the appointment.

In any of the cases specified above, the Board of Directors, given the specific circumstances, may require the board member to resign from his or her position, and propose the director's removal to the Shareholders' Meeting, where applicable.

Any directors affected by proposed removals will refrain from participating in any related discussion and vote.

The Board of Directors shall not propose the removal of an independent director before the expiry of the term stipulated in the articles of association, except when there is just cause, as determined by the Board of Directors, following a report from the Nomination and Remuneration Committee. In particular, just cause shall be deemed to exist when the director takes up new posts or incurs new obligations that prevent them from devoting the necessary time to the performance of the duties inherent in the post of director, fails to fulfill the duties inherent in their post or becomes subject to any of the circumstances that cause them to lose their independent status, in accordance with the provisions of the applicable legislation. Such removal may also be proposed as a result of takeover bids, mergers or other similar corporate transactions that give rise to a significant change in the structure of the Company's share capital, when such changes in the structure of the Board of Directors are brought about by the proportionality criterion referred to in article 10.3 of these Regulations.

When a Director leaves office before the end of their term of office, whether by resignation or otherwise, they shall sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their views on the reasons for the removal by the General Shareholders' Meeting, in a letter to be sent to all members of the Board of Directors. The reasons stated therein shall be mentioned in the annual corporate governance report, although, to the extent relevant for investors, the Company shall publish the removal as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?:

Yes No

If yes, describe the differences.

Description of differences

C.1.21 Indicate whether there are any specific requirements, apart from those relating to directors, to be appointed chairman of the board.

Yes No

Description of requirements

C.1.22 Indicate whether the bylaws or board regulations set an age limit for directors:

Yes No

	Age limit
Chairman	
Chief Executive Officer	
Director	

Remarks

C.1.23 Indicate whether the bylaws or board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes No

Additional requirements and/or maximum number of years of office	
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C.1.24 Indicate whether the bylaws or board regulations establish specific rules for the appointment of proxies on the board in favor of other board members, the procedure for doing so and, in particular, the maximum number of proxies a director may hold, as well as whether any restriction has been established as regards the categories of director that may be appointed as proxies, beyond the limits imposed by law. If so, provide a brief description.

<p>Article 20 of the Board Regulations establishes that directors must ensure that their non-attendance is limited to unavoidable cases. Where they cannot attend in person, directors must grant a proxy with instructions to another director. Independent directors may only grant their proxy to another independent director and non-executive directors may only grant their proxy to another non-executive director.</p> <p>Proxies may be conferred by any postal or electronic means or by fax, provided that the identity of the director and the direction of the voting instructions can be guaranteed, where applicable.</p>

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, where applicable, how often the board met without the chairman's attendance. Proxies appointed with specific instructions should be taken into account when indicating attendance figures.

Number of board meetings	18
Number of board meetings held without the chairman's attendance	0

Remarks
For clarification purposes, the Board of Directors held 8 meetings in 2020 and, on 10 other occasions, resolutions were adopted in writing and without a meeting.

Indicate the number of meetings held by the lead independent director with the other directors, where there was neither attendance nor representation of any executive director.

Number of meetings	1
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Remarks

Indicate the number of meetings of the various board committees held during the year:

Number of meetings held by the executive committee	
Number of meetings held by the audit and compliance committee	18
Number of meetings held by the nomination and compensation committee	10
Number of meetings held by the Finance and Capital Structure Committee	1

Remarks
For clarification purposes, the Nomination and Remuneration Committee held 7 meetings in 2020 and, on 3 other occasions, resolutions were adopted in writing and without a meeting.
It is also noted that the Nomination and Remuneration Committee held 8 meetings in 2020 and, on 10 other occasions, resolutions were adopted in writing and without a meeting.

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings attended by at least 80% of the directors in person	8
% of attendance in person of the total votes cast during the year	96.15%
Number of meetings held with attendance in person or proxies given with specific instructions, by all directors	8
% of votes cast in person or through proxies with specific instructions out of the total of votes during the year	100%

Remarks
For clarification purposes, the Board of Directors held 8 meetings during the year and, on 10 other occasions, resolutions were adopted in writing and without a meeting.

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes No

Identify, where applicable, the person(s) who certified the company's separate and consolidated financial statements for their approval by the board:

Name	Position
JESÚS SOTO CANTERO	CHIEF FINANCIAL OFFICER
STEPHAN DUCHARME	EXECUTIVE CHAIRMAN

Remarks

C.1.28 Explain the mechanisms, if any, established by the board of directors to ensure that the financial statements that the board presents to the shareholders' meeting are prepared in accordance with accounting legislation.

With the aim of preventing separate and consolidated financial statements prepared by the Board of Directors from being submitted to the Shareholders' Meeting with auditor's qualifications, before they are prepared, article 23 of the Board Regulations and articles 6 et seq. of the Audit and Compliance Committee's Regulations establish that the Audit and Compliance Committee must, among other points:

(a) To oversee the preparation and reporting process, and the clarity and integrity of financial and non-financial information concerning the Company and its Group, reviewing compliance with regulatory requirements, appropriate definition of the consolidated group, and proper application of accounting standards, and to present recommendations and proposals to safeguard the integrity of financial information to the Board of Directors.
This supervisory task by the Committee must be carried out continually as well as promptly, at the request of the Board of Directors.

(b) Regarding the periodic and/or mandatory financial and non-financial information that the Company must submit to the markets and the supervisory bodies, assess compliance with the legal requirements and the correct application of the generally accepted accounting principles, as well as inform the Board of Directors of any significant changes in the accounting principles and, in particular, significant adjustments identified by the auditor or resulting from the reviews made by the internal audit.

(c) Analyze the reasons why the Company breaks down certain alternative performance measures in its public information, instead of the measures defined directly by the applicable regulations, how much useful information is provided to investors and the degree of compliance with that envisaged in the international best practices and recommendations in this area.

(d) Propose the selection, appointment, re-election and removal of the internal audit officers; propose the budget for those services, approve the guidance and work plans, ensuring that its activity focuses mainly on the Company's material risks.

(e) Establish an internal control system for the financial information through which potentially important irregularities, especially financial and accounting ones at the Company, can be notified in a confidential and anonymous way.

(f) Oversee the risk control and management policy regarding the risks which affect the attainment of corporate targets, including, in general, supervision of the agenda of the Committee meetings so that all the material risks can be analyzed throughout the year.

(g) Periodically review the efficacy of the risk control and management policy overall, covering both the financial and non-financial risks, including the tax ones, receiving the pertinent reports from the officers, from internal audit and from any person hired for such purpose, with the aim of appropriately identifying, analyzing and notifying the main risks, and analyze, together with the auditors, the significant weaknesses in the internal control system detected during the audit, all without affecting its independence.

(h) Make sure that the members of the management team take into account the conclusions and recommendations of the reports of the Audit and Compliance Committee, as well as discuss with the Company's auditors any significant weaknesses in the internal control

systems that they may have detected during the audit, all without undermining its independence. For such purposes and, where applicable, it can submit recommendations or proposals to the Board of Directors and the corresponding deadline for dealing with them.

(i) Approve the work plan for the internal audit every year, ensuring that both the management and the staff have the necessary human, financial and technological resources to carry it out and that its activity focuses mainly on the Company's material financial and non-financial risks.

(j) Assess the operations of the internal audit and the performance of its officer, including an assessment of the degree of compliance with the established targets and criteria, as well as with the opinion of the Company's executive management, with the aim of determining the officer's annual variable remuneration, which must also involve the Committee; periodically receive information about the activities performed by the Internal Audit Department and, specifically, regarding the implementation of the annual work plan, the incidents found and the recommendations for such purpose.

(k) Establish appropriate relationships with the external auditors to receive information on those questions that may jeopardize their independence, for examination by the Committee, and any other relationships relating to the process of development of the financial statements auditing process, as well as other notifications included in the legislation governing auditing and audit regulations.

(l) Ensure that the auditor's remuneration for the work does not compromise its quality or independence and analyze the significant changes that may take place in its total remuneration.

(m) Oversee the performance of the audit engagement, endeavoring to ensure that the opinion on the financial statements and the key content of the audit report are drafted clearly and accurately, and assess the results of each audit.

Where an auditor may step down, to examine the circumstances leading to its decision and to ensure that the Company duly report the change of auditor to the CNMV in a relevant event/inside information notice accompanied by a statement regarding the possible existence of disagreements with the outgoing auditor and, where applicable, the content of the audit report.

(n) Serve as a communication channel between the Board of Directors and the auditors, evaluate the results of each audit and the responses of the management team to their recommendations and mediate in cases of discrepancies between the auditors and the management team with respect to the principles and criteria applicable in preparing the financial statements.

(ñ) Ensure that the external auditor holds a meeting each year with the plenary session of the Board of Directors in order to inform it about its work and progress in the Company's accounting position and risks.

C.1.29 Is the board secretary a director?

Yes No

If the secretary is not a director, complete the following table:

Name or corporate name of the secretary	Representative
MR. ÁLVARO LÓPEZ-JORRÍN HERNÁNDEZ	

Remarks

C.1.30 Indicate the specific mechanisms, if any, established by the company to preserve the independence of external auditors, financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

DIA has various mechanisms in place to preserve the independence of the auditor. Among them is that one of the main roles of the Audit and Compliance Committee consists in supervising the independence of the auditor, with duties including the following:

(a) Submit to the Board of Directors the proposed selection, appointment, re-election and replacement of external auditors, taking responsibility for the selection process, as well as their conditions of hiring, and to regularly gather information on the auditing plan and its execution, as well as preserving their independence in the exercise of their tasks.

(b) Establish appropriate relations with the auditors to receive information on those questions that may jeopardize their independence, for examination by the Committee, and any others relating to the process of development of the accounts auditing process and, where applicable the authorization of the various services legally forbidden by the applicable regulations as well as other notifications included in the legislation governing auditing and audit standards.

In particular, it must ensure that the external auditor respects the regulations in place on provision of non-audit services, the limits to the auditor's business concentration, and in general other regulations on the independence of auditors. For such purpose, the Committee can review and approve additional policies and guidelines which set out the principles regarding the approval and/or prohibition of providing certain non-audit services and, in general, in relation to the legal regulations on auditing.

In this respect, the Committee is responsible for previously approving the provision of non-audit services, assessing: (i) their nature, the circumstances and context in which they take place, and their effects and if those services jeopardize the auditor's independence; (ii) if the audit firm, based on its knowledge and experience, is the best one to provide such services; (iii) the remuneration for the non-audit services, individually or as a whole, in relation to that for the audit and the parameters used by the audit firm to determine its own remuneration policy; and (iv) where applicable, the establishment of a guiding limit for the fees to be received by the auditor for non-audit services in accordance with the law and the EU regulations.

(c) Receive from the external auditors annually a confirmation of their independence in regards to the entity or entities linked to it directly or indirectly, as well as detailed and individual information of the additional services of any kind provided and the corresponding fees received from these entities by the aforementioned external auditors, or by the persons or entities linked to them, in accordance with the provisions of the audit legislation.

For such purposes, the Committee can request, in the annual independence letter sent by the auditor, the inclusion of a statement informing that it complies with this. Likewise, it can request the auditor, when deemed necessary, to provide an explanation about the internal quality control system that it must have established regarding independence, as well as information about the internal rotation practices of the audit partner and its staff and how it conforms to the audit standards.

Sources of internal information must also be established at the Company which provide relevant information about the auditor's independence which come from the financial department, other management functions, internal audit or other assurance functions such as the regulatory compliance, risk or external unit as well as the information that can be provided by the auditor itself.

In view of the content of that independence letter, the Committee must issue annually, prior to the issue of the audit report, a report giving an opinion on whether the independence of the auditors or audit firms has been compromised. This report must in all cases include an assessment of the additional services provided by the auditors, considered separately and in their totality, that consists of services other than statutory audits and how they relate to the requirement of independence or to the audit standards.

(d) Ensure that the auditor's remuneration for the work does not compromise its quality or independence and analyze the significant changes that may take place in its total remuneration.

(e) In the event of a waiver from the external auditor, it will examine the circumstances leading to this decision and will ensure that the Company announces the new auditor to the CNMV, in addition to a statement on the potential existence of disagreements with the outgoing auditor and the content thereof, if any.

In addition, article 23 of the Board Regulations and article 6 of the Audit and Compliance Committee Regulations govern the Audit and Compliance Committee's relationship with the

external auditor, establishing that said Committee (i) ensures that the external auditor holds an annual meeting with the full Board of Directors to report to it on the work performed and on the evolution of the Company's accounting and risk situation; and (ii) ensures that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other regulations on auditor independence.

The DIA Investor Relations Department coordinates relations with financial analysts, investment banks and rating agencies as required, handling their requests for information and those of the institutional or private investors, based on the principles of transparency, non-discrimination, veracity and reliability of the information provided. To do this, DIA has the Corporate Policy on Investor Relations, which is available on the company website.

To put these principles into practice, and always within the strictest compliance with the regulations relating to Securities Markets, DIA has available various channels of communication such as (a) publication of information relating to the presentation of the periodic results or to corporate operations; (b) presentations to investors; and (c) submission of statements and press releases.

C.1.31 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditor:

Yes No

Outgoing auditor	Incoming auditor

In the event of any disagreements with the outgoing auditor, explain the substance thereof:

Yes No

Explanation of the disagreements

C.1.32 Indicate whether the audit firm performs non-audit work for the company and/or its group and, if so, state the amount of fees paid for such work and the percentage they represent of the fees invoiced for audit work to the company and/or its group:

Yes No

	Company	Group companies	Total
Amount of non-audit work (in thousands euros)	352	177	529
Amount invoiced for non-audit services / Amount for audit work (in %)	148.56%	18.40%	44.06%

Remarks

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to the shareholders at the shareholders' meeting by the chairman of the audit committee to explain the content and scope of such qualifications.

Yes No

Explanation of the reasons and direct link to the document on this matter made available to the shareholders at the time of the call notice
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C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Indicate the number of years the current audit firm has been auditing the financial statements as a percentage of the total number of years in which the financial statements have been audited:

	Separate	Consolidated
Number of consecutive years	3	3

	Separate	Consolidated
Number of years audited by the current audit firm / Number of years in which the have been audited (in %)	10%	10%

C.1.35 Indicate and give details of any procedure to ensure directors receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance:

Yes No

Details of the procedure
<p>Under Article 34 of the Board Regulations, directors have the duty to diligently inform themselves of the Company's business. For such purpose, any director may request information on any aspect of the Company and its subsidiaries and examine the books, registers, documents and other documentation thereof.</p> <p>Furthermore, this article provides that all duties of information will be previously channeled through the board chairman, who will forward the request to the relevant liaison officer within the Company.</p> <p>In addition, article 18 of the Board Regulations requires that all meetings be called at</p>

least five days in advance, except for emergency situations. Likewise, article 14 of the Board Regulations establishes that the chairman, as the person responsible for the Board's operation, will ensure that all directors previously receive sufficient information, stimulating discussions and the active participation of directors during board meetings.

C.1.36 Indicate and give details of whether the company has established rules obliging directors to inform the board or, as the case may be, resign when situations arise which affect them, whether or not related to their actions within the company itself, which could harm the company's name or reputation:

Yes No

Explain the rules
Article 13 of the Board Regulations establishes that directors must immediately tender their resignation when situations affecting them, whether or not related to their performance at the Company, could damage the good name or reputation of the Company or they lose the commercial and professional good repute required to be a director of the Company.

C.1.37 Indicate, unless special circumstances have occurred which have been recorded in minutes, whether the board has been informed or has otherwise become aware of a situation affecting a director, whether or not related to the director's actions in the company itself, that may harm the company's name or reputation:

Yes No

Name of director	Nature of the situation	Remarks

In the above case, indicate whether the board has examined the matter. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal inquiry, requesting the director's resignation or proposing his or her dismissal.

Indicate as well whether the board's decision has relied on a report from the nomination committee.

Yes No

Decision/action taken	Reasoned explanation

C.1.38 Give details of any significant agreements entered into by the company that will enter into force, be amended or terminated in the

event of a change of control of the company due to a takeover bid, and their effects.

The Company has entered into finance agreements that include modifications to or terminations of this finance if there is a change of control at the Company, although it is not specified that this is so in case of a tender offer.

Apart from the above, it is worth mentioning that the Company has entered into certain lease agreements for shop premises (not considered individually significant agreements) that include clauses with modifications or the cancellation or termination of these agreements in case of company operations that represent changes of control at the Company or its shareholders, although they do not refer expressly to changes of control derived from tender offers.

C.1.39 Identify, in individual form where directors are concerned and in aggregate form in all other cases, and provide detailed information on agreements between the company and its officers, executives and employees that provide indemnities, guarantee or “golden parachute” clauses for the event of resignation, unjustified dismissal or termination as a result of a takeover bid or other type of transaction.

Number of beneficiaries	55
Type of beneficiary	Description of the agreement
Other management positions (excluding the Executive Chairman)	For senior management (excluding the executive chairman Mr. Stephan Ducharme), advance notice periods are established in case of dismissal which range between 3 and 6 months. As regards severance pay in case of dismissal declared as without just cause by the competent courts, different formulae are established which can go from 33 days of salary per year of service with a maximum of 24 months, or guarantee of a minimum severance during the first two years, all of the foregoing depending on the person's position and contract.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorized by the governing bodies of the company or its group. If yes, specify the procedures, cases envisaged and nature of the bodies responsible for the approval or making the notification:

	Board of directors	Shareholders' meeting
Body authorizing the clauses	X	

	YES	NO
Is the shareholders' meeting informed of such clauses?		X

Remarks

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, nominee, independent and other non-executive directors forming them:

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Category
MS. LUISA DELGADO	CHAIRMAN	INDEPENDENT DIRECTOR
MS. BASOLA VALLÉS	MEMBER	INDEPENDENT DIRECTOR
MR. MARCELO MAIA TAVARES DE ARAÚJO	MEMBER	NON-EXECUTIVE DIRECTOR

% of executive directors	0%
% of nominee directors	0%
% of independent directors	66.66%
% of other non-executive directors	33.33%

Remarks

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9, and describe its procedures and organizational and operating rules. For each function, state its main actions during the year and how each one attributed to it by law or the bylaws or other corporate resolutions was carried out.

In accordance with articles 39 of the Bylaws and 24 of the Board Regulations, the Board of Directors shall set up a permanent Nomination and Remuneration Committee, which shall be composed of a minimum of three and a maximum of five directors, appointed by the Board of Directors itself from among its external directors, at least two of which must be independent directors.

The members of the Nomination and Remuneration Committee shall be appointed with the knowledge, skills and experience appropriate to the functions they are called upon to perform. To this end, both their professional knowledge and experience, gathered when performing tasks directly related to these matters, will be taken into account, as will any knowledge and experience resulting from management and executive tasks and responsibilities that have a relevant impact on these matters, among others (e.g. CEOs, top executives or senior managers supervising and controlling human resources, corporate governance, remuneration policies, etc.).

The Chairperson of the Nomination and Remuneration Committee shall be appointed by the Board of Directors from among the independent directors forming part of the Committee.

The members of the Board of Directors, management team or Company staff will be obliged to attend all meetings of this Committee, collaborating and providing access to any information they may have, at the Committee's request. Furthermore, if it deems this necessary for the adequate performance of its tasks, it may be advised by external experts.

In light of the above, and as the Committee consists of three directors – none of whom are executive directors – the composition of the Nomination and Remuneration Committee conforms to the Bylaws and Board Regulations. In addition, the Nomination and Remuneration Committee complies with article 529 quidecies of the Capital Companies Law as well as with the good corporate governance recommendations of the Good Governance Code, particularly number 47, recommending the majority of its directors be independent, in order to guarantee impartiality and objectivity of judgment.

The Nomination and Remuneration Committee, in fulfilling the duties set out in article 24 of the Board Regulations, has executed the tasks assigned over fiscal year 2021, including, among others, the following: (i) evaluating the skills, knowledge and experience required on the board of directors; To this end, the committee has defined the functions and skills required for the candidates to cover a vacancy, and has evaluated the precise time and dedication in order to carry out their tasks effectively; (ii) making proposals to the board of directors of independent directors to be appointed by co-option or for submission to decision by the shareholders' meeting, and proposals for re-election and removal of those directors by the shareholders' meeting; (iii) reporting to the board on proposals for the appointment, re-election and removal of internal positions within the board of directors of the Company (chairman and deputy chairman, lead independent director, secretary and deputy secretary, if any); (iv) reporting on proposals for the appointment and removal of senior managers and the basic conditions of their contracts; (v) proposing to the board of directors (a) the policy on remuneration for directors and senior managers or any other persons performing senior management duties reporting to the board, the committees or the chief executives, (b) the individual remuneration of executive directors and the other terms of their contracts, supervising their implementation, and (c) the basic terms of contracts of senior managers; (vi) assisting the board in the preparation of the report on directors' remuneration policy and sending the board any other reports on remuneration contemplated in these regulations, verifying the information on remuneration paid to directors and senior management contained in the different corporate documents, including the annual report on directors' remuneration; (vii) examining and organizing the succession plan for the chairman of the board and for the chief executive officer of the Company and, if applicable, suggesting proposals to the board of directors to ensure a smooth and organized transition; and (viii) reporting on proposals for the appointment of other directors to be appointed by co-option or for submission to decision by the shareholders' meeting, and proposals for re-election and removal of those directors by the shareholders' meeting.

The Company's Nomination and Remuneration Committee held seven formal meetings in 2021 and, on three other occasions, the resolutions were adopted in writing and without a meeting. All the members attended all the meetings in person or by proxy, except at the meeting which took place on January 26, 2021, at which Mr. Christian Couvreur was absent on justified grounds.

In addition, the Committee members hold periodic work meetings by remote means (conference calls and video conference calls), both between themselves and the managers of the Human Resources Department of the DIA Group. In particular, in 2021 the Committee held numerous additional encounters within the framework of the appointment of new positions, the appointment of new members of the Board of Directors and of senior management, and it drafted reports for appointing directors and members of the management team.

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
MR. JOSÉ WAHNON LÉVY	CHAIRMAN	INDEPENDENT DIRECTOR
MR. JAIME GARCÍA-LEGAZ PONCE	MEMBER	INDEPENDENT DIRECTOR
MR. SERGIO FERREIRAS DIAS	MEMBER	NON-EXECUTIVE NOMINEE DIRECTOR

% of nominee directors	33.33%
% of independent directors	66.66%
% of other non-executive directors	0%

Remarks

Explain the functions, including, where applicable, the additional ones to those legally envisaged, attributed to this committee and describe its procedures and organizational and operating rules. For each function, state its main actions during the year and how each one attributed to it by law or the bylaws or other corporate resolutions was carried out.

<p>In accordance with article 39 of the Bylaws, article 23 of the Board Regulations, and article 12 of the Committee's Regulations, the Audit and Compliance Committee will consist of at least three and a maximum of five directors, designated by the Board itself from among its non-executive directors, where the majority of the members and, in any case, the Committee's chairman must be independent.</p> <p>Likewise, the members of the Audit and Compliance Committee, particularly its chairman, will be designated according to their knowledge and experience in accounting, auditing or risk management matters. His/her knowledge and experience in financial matters, internal control and business management will be taken into account, as well as his/her knowledge, ability and knowledge in consideration with the Committee's other tasks.</p> <p>In particular, to consider that a director has knowledge and experience in accounting, auditing or both, the Committee member must have: (a) knowledge in accounting or audit standards or both; (b) the ability to assess and interpret the accounting standards; (c) experience in drafting, auditing, analyzing or assessing financial statements with a certain complex nature, similar to those of the Company itself, or experience in supervising one or more persons involved in such tasks; and (d) understanding of the internal control mechanisms related to the process of drafting financial statements.</p> <p>For these purposes, the following will be taken into account: the knowledge and professional experience gained as a result of the performance of functions directly related to these matters, as well as the knowledge and experience due to the performance of management and executive functions and responsibilities which could be related to these issues in a significant way (such as chief executive officers or senior managers with supervisory and management responsibilities in accounting, financial or risk management areas, etc.). Likewise, the aim is to ensure diversity, especially regarding gender, professional experience, competence, sector knowledge and geographical origin.</p> <p>In accordance with article 529.2 quaterdecies of the Capital Companies Law and DIA's internal regulations, the chairman of the Audit and Compliance Committee will be appointed from among independent directors. The chairman will be replaced every four years and may be re-elected one year after leaving office. He/she must have sufficient ability and availability to devote more time to the Committee than the other members.</p> <p>The members of the management team or Company staff will be obliged to attend all meetings of the Audit and Compliance Committee, collaborating and providing access to any information they may have, at the Committee's request. The Committee may also request the presence of</p>

the Company's auditors at its meetings. If it deems this necessary for the adequate performance of its functions, the Audit and Compliance Committee may be advised by external experts, duly informing the secretary or deputy secretary of the Board, who will be in charge of engaging the necessary services, making sure that any potential conflicts of interest do not compromise the independence of the external advice provided.

The composition of the Committee complies with the regulations described above. Two of the three members of the Committee are independent directors, which ensures the impartiality and objectivity of judgment of the Audit Committee.

Lastly, the Committee complies with article 529 quaterdecies of the Capital Companies Law since, overall, the members of the Audit and Control Committee of DIA have the pertinent technical knowledge in order to carry out the Committee's functions.

Pursuant to functions under article 529 quaterdecies of the Capital Companies Law, article 23 of the Board Regulations of the Company and articles 5 et seq. of the Committee's Regulations, the Audit and Compliance Committee focused its meetings in 2021 on the following main activities: (i) monitoring the effectiveness of the Company's internal oversight, internal audit and risk management systems, as well as discuss with the auditor any significant weaknesses in the internal oversight system detected in the course of the audit, without compromising the auditor's independence. For these purposes, and where appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up (ii) oversee and assess the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks, including tax risks, relating to the Company and its group – including operational, technological, legal, social, environmental, political, reputational and corruption-related risks – reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting standards. Submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of financial and non-financial information (iii) report, prior to their authorization by the Board of Directors or the Shareholders' Meeting, as applicable, any operations or transactions that may represent a conflict of interest with shareholders owning a significant holding or represented on the Board of Directors and their related persons (iv) submit to the board of directors the proposed selection, appointment, re-election and replacement of external auditors, as well as their conditions of hiring, and to regularly gather information on the auditing plan and its execution, as well as preserving their independence in the exercise of their tasks (v) establish the appropriate relations with the external auditor to receive information on those matters that may threaten its independence, for examination by the Committee, and any other matters related to the process of auditing the accounts, and, where appropriate, the authorization of services other than those prohibited, in the terms contemplated in the law, as well as those other communications contemplated in the legislation on auditing the accounts and in the auditing standards. In any case, the committee must annually receive from the external auditors a declaration of their independence in relation to the Company or entities directly or indirectly related to it, as well as information that is detailed and broken down on additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it in accordance with the provisions of the regulations governing the auditing of accounts (vi) issue annually, prior to the issuance of the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised. This report shall contain a reasoned assessment of the provision of each and every one of the additional services referred to in the previous point, on an individual basis and as a whole, other than the statutory audit and in relation to the rules regarding independence or to the regulations governing the activity of auditing accounts. (vii) oversee compliance with the Company's corporate governance rules and internal codes of conduct and ensuring that the corporate culture is aligned with the Company's purpose and values (viii) ensure the independence of the unit that assumes the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the budget for this service; approve the orientation and its work plans, ensure that its activity is mainly focused on the Company's relevant risks; receive regular information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports (ix) to be informed of any structural or corporate modifications planned by the company, so the committee can analyze them and report to the board beforehand on their economic conditions and accounting impact and, in particular, where applicable, the proposed exchange ratio (x) approval of the financial information that the Company must periodically publish due to its status as a listed company.

The Company's Audit and Compliance Committee met 8 times in 2021 and, on 10 other occasions, the resolutions were adopted in writing and without a meeting. All the members attended all the meetings in person or by proxy either physically or by telephone.

This Committee met with the necessary frequency for the proper performance of its functions, in all cases complying with article 23.10 of the Board Regulations and article 20.1 of the

Committee's Regulations, which establish that it must meet, at least, every quarter, with the aim of reviewing the periodic financial information which, in accordance with articles 118, 119 and 120 of the Securities Market Law, the Board has to submit to the market supervisory authorities as well as the information that the Board has to approve and include in its own annual or interim public documentation.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the chairman of this committee was appointed.

Names of directors with experience	MR. JOSÉ WAHON LEVY / MR. JAIME GARCÍA-LEGAZ PONCE / MR. SERGIO DIAS
Date of appointment of the chairman	May 20, 2019

Remarks

FINANCE AND CAPITAL STRUCTURE COMMITTEE

Name	Position	Category
MR. JAIME GARCÍA-LEGAZ PONCE	CHAIRMAN	INDEPENDENT DIRECTOR
MR. SERGIO FERREIRA DIAS	MEMBER	NON-EXECUTIVE NOMINEE DIRECTOR

% of nominee directors	50%
% of independent directors	50%
% of other non-executive directors	0%

Remarks
Only members of the committee following the death of Mr. Christian Couvreur until its dissolution.
After considering the report from the Nomination and Remuneration Committee and given that the Finance and Capital Structure Committee concluded its function satisfactorily as a result of the agreement reached regarding the comprehensive recapitalization and refinancing transaction, the implementation of which enables the DIA Group to have a capital and financial structure that is stable in the long term, the Board of Directors approved the resolution to dissolve the committee on April 28, 2021.

Explain the functions, including, where applicable, the additional ones to those legally envisaged, attributed to this committee and describe its procedures and organizational and operating rules. For each function, state its main actions during the year and how each one attributed to it by law or the bylaws or other corporate resolutions was carried out.

Until its dissolution, the Finance and Capital Structure Committee, by virtue of its functions, centered the objectives of its meeting in 2021 on the following main activities: (i) advising the

board on matters relating to financing and capital structure; (ii) supervising the status of the relationships between the Company and its lenders at any given time, including, but not limited to, syndicated lenders, bilateral lenders and bondholders; (iii) reviewing the capital structure and financial strategy of the Company and making recommendations to the board with respect to potential changes; (iv) monitoring the obligations and commitments acquired by the Company with respect to syndicated loans and other types of financing; (v) reviewing and, where appropriate, recommending to the board of directors the approval of any financing or use of financial instruments, to the extent that the approval thereof is reserved to the board.

In 2021, until its dissolution, the Finance and Capital Structure Committee held one meeting, which was attended by all of its members.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year 2021 Number %	Year 2020 Number %	Year 2019 Number %	Year 2018 Number %
Nomination and Remuneration Committee	2 (66.66%)	1 (33.33%)	0 (0.00%)	1 (25%)
Audit and Compliance Committee	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (50%)
Finance and Capital Structure Committee	-	0 (0.00%)	0 (0.00%)	-

Remarks

C.2.3 Indicate whether there are any regulations governing the board committees, where they can be consulted, and whether any amendments have been made during the year. Indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The organizational and operating rules of the Audit and Compliance Committee, the Nomination and Remuneration Committee, and the Finance and Capital Structure Committee are included in the Board Regulations and in the Audit and Compliance Committee Regulations, which are available for consultation on DIA's website (www.diacorporate.com).

The Nomination and Remuneration Committee, the Audit and Compliance Committee, and the Finance and Capital Structure Committee (in this last-mentioned case, until its dissolution) prepare an annual report on their activities, with the aim of assessing their operation and organization in 2021, highlighting any significant events that have taken place related to their duties. These reports are made available to the shareholders on the Company's corporate website.

D.1 RELATED PARTY AND INTRAGROUP TRANSACTIONS

- D.1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to article 6.2 of the Board Regulations and article 5.1.(v) of the Audit and Compliance Committee Regulations, this Committee has the authority to supervise compliance with the legislation on related-party transactions with directors or significant shareholders or shareholders represented on the Board. In particular, the Audit and Compliance Committee will report to the Board on such related-party transactions and, in general, on transactions that entail or may entail conflicts of interest, so that they can be approved, and will ensure that the related information is reported to the market as required by law.

In order to do so, pursuant to article 10.1.(b) of the Audit and Compliance Committee Regulations, this Committee must gather and analyze all necessary information and documentation, and will be able to request expert reports where it is deemed advisable to have experts give an opinion on aspects such as the effects of a proposed transaction on the corporate interest or whether the transaction is being carried out on market terms.

Regarding its approval, article 6.1 of the Board Regulations establishes that the Board of Directors formally reserves the right to approve, subject to a report from the Audit and Compliance Committee, related-party transactions within the meaning of article 529 vicies of the Capital Companies Law, unless their approval falls to the Shareholders' Meeting in accordance with the provisions of the law.

Obligations to abstain are set out in article 28.3.b) of the Board Regulations, which stipulates that directors must leave the meeting during the deliberation and voting on those matters in which they are involved in a conflict of interest, and shall be deducted from the number of members attending for the purposes of calculating the quorum for attendance and voting.

- D.2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or corporate name of company or subsidiary	Nature of the relationship	Type of operation and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
L1 RETAIL (UK) LLP and L1 Retail (Jersey) LLP	77.704%	DIA, S.A	Shareholder	Cost of advisory services	(4,823)	Board of Directors	Sergio Dias and Stephan Ducharme	N/A
L1R Invest1 Holdings S.à.r.l.	77.704%	DIA, S.A	Shareholder	Finance costs of refinancing and	(10,239)	Board of Directors	Sergio Dias and Stephan Ducharme	N/A

				capitalization transaction.				
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Remarks

D3 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Nature of the operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identity of the shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Remarks

D.4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In all cases, list any intragroup transaction performed with entities established in countries or territories considered to be tax havens:

Corporate name of the group entity	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)

Remarks

- D5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Corporate name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
HIS	Commercial transaction	1,387

Remarks

- D6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

Pursuant to article 28 of the Company's Board Regulations, directors must adopt the necessary measures to avoid becoming subject to conflicts of interest and, notwithstanding the statutory provisions on the duty to avoid situations of conflict of interest, situations of conflict of interest will be governed by the following rules:

- a) Notification: directors must notify the Board of Directors, through its Chairperson or the Secretary or Deputy Secretary, of any conflict-of-interest situation in which they find themselves.
- b) Abstention: directors must leave the meeting during the deliberation and voting on those matters in which they are involved in a conflict of interest, and shall be deducted from the number of members attending for the purposes of calculating the quorum for attendance and voting.
- c) Transparency: the Company shall report, where required by law, any conflict-of-interest situation in which the directors have found themselves during the financial year in question and of which it is aware by virtue of notification from the affected party or by any other means.

The above obligation to abstain shall not apply (except where otherwise provided in the law, the bylaws or the Board Regulations) to resolutions or decisions affecting their status as directors, such as their appointment or removal from office on the managing body or others of similar significance.

In addition, as stated in article 11.1 of the Audit and Compliance Committee Regulations, this Committee will have the function of reporting on any operations or transactions that might cause conflicts of interest before their authorization by the Board of Directors or the Shareholders' Meeting, as applicable, which includes transactions with Company and Group directors and related persons, as well as transactions with significant shareholders or shareholders represented on the Board of Directors and related persons.

At its meeting held on October 27, 2021, the Board of Directors approved the Dia Group's Policy on the Management of Conflicts of Interest and Related-Party Transactions.

In accordance with this policy, a conflict of interest is a situation in which interests of the Company or its group companies directly or indirectly conflict with the personal interests of any person with management responsibilities, on their own behalf or on behalf of others, or of their related persons. It establishes that any person with management responsibilities must act with the loyalty of a faithful representative, acting in good faith and in the best interest of the Company, regardless of other own interests or those of third parties. Consequently, any person with management responsibilities will refrain from preferring their own interests, on their own behalf or on behalf of others, or their related persons, at the expense of DIA and will seek to avoid any conflict situation in the exercise of their functions, including, in particular, those contained in article 229.1 of the Capital Companies Law. In addition, any person discharging managerial

responsibilities must refrain from attending and intervening in deliberations and voting in relation to conflict situations affecting him or her or a related person, and must also refrain from accessing confidential information related to the matter and warn those who are to make the decision of the potential conflict situation.

All DIA directors must notify the Board of Directors of DIA, through its secretary, the list of their related persons (which must be kept permanently updated) as well as any personal, family, professional or business situation or circumstance that may imply a conflict situation at any time. In the notice, directors must indicate whether the potential conflict of interest affects them personally or through a related person, in which case they must identify such person. Directors must also specify the situation that gave rise to the conflict of interest, detailing, where appropriate, the purpose and the main conditions of the projected transaction or decision and its approximate amount. When the conflict of interest situation involves a permanent and structural conflict that prevents the director from continuing to perform his or her duties faithfully, the director must immediately tender his or her resignation to the Board of Directors.

The Board of Directors shall be the body responsible for analyzing and, where appropriate, providing exemption, when permitted by law and under the terms established therein, following a report from the Audit and Compliance Committee, the conflict situations of DIA directors or their related persons, except when such authorization corresponds to the Shareholders' Meeting of the Company by operation of law.

The policy on the management of conflicts of interest and related-party transactions also regulates the procedure applicable to the transactions that DIA or any of its group companies perform with significant shareholders or board members.

D.7 Indicate whether the company is controlled by another entity in the meaning of article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes No

Indicate whether it has reported publicly and precisely on the respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

Yes No

Report on the respective areas of activity and any business relationships between on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries, and identify where information has been publicly provided on these aspects

Identify the mechanisms that are to be used to resolve potential conflicts of interest between the other parent company of the listed company and the other group companies:

Mechanisms to resolve possible conflicts of interest



E RISK MANAGEMENT AND CONTROL SYSTEMS

E1 Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

The Business Risk Management Policy, the proper application of which requires the involvement of all the organization's staff, applies to all entities in which Distribuidora Internacional de Alimentación S.A. (DIA) has a percentage holding above 50%. This Policy was approved by DIA's Board of Directors on September 22, 2020, in line with the new recommendations set out in the Code of good governance for listed companies (revised in June 2020).

The Risk Management Model ("RMM") defined by DIA has been drawn up considering all its activities at all levels of the organization, from those at corporate level to those of the business units and processes. Its focus is therefore integral and systematic, and applies to the Company and all its subsidiaries. This has entailed taking the following levels into account: (i) execution of the DIA strategy; (ii) achievement of business objectives; and (iii) correct performance of transactions.

DIA's RMM is based on the "Enterprise Risk Management – Integrating with Strategy and Performance", published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This standard, generally accepted in the market, has been adapted to the DIA Group's needs with a comprehensive, systematic and detailed approach that enables it to identify, assess and respond to the risks related to the achievement of its business objectives.

DIA has identified the risks relating to the achievement of its objectives at all levels of the organization and analyzes them as the basis on which to determine how they should be managed. In this connection:

- i) All levels of the organization, business units and functions have been included.
- ii) The internal and external factors have been analyzed, as has their impact on the achievement of the organization's objectives.
- iii) All appropriate levels of management have been involved in assessing actual risks.
- iv) The significance of the risks identified has been estimated through an analysis process that includes estimating the potential significance of the risk.
- v) How to respond to the risks has been determined by conducting an assessment that includes considering how to manage the risk and whether it should be accepted, avoided, reduced or shared.

DIA's RMM ensures that the different types of risks are identified through an ongoing iterative process, which has taken into account factors that influence the seriousness, speed and persistence of the risk, the likelihood of asset losses occurring, and the related impact on the operations, information and compliance activities.

Some of the risk categories considered have been, among others, related to the operational, corporate governance and ethical, and financial environments.

E2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

The Board of Directors, the Audit and Compliance Committee, the Management Committee are responsible for ensuring the correct functioning of the enterprise risk management process.

The Board is responsible, as established in article 5 of the Board Regulations, for

approving the risk management and control policy, identifying the main risks (including tax risks) of the Company and its subsidiaries and organizing suitable internal control and reporting systems.

The Board of Directors, through the Audit and Compliance Committee, specifically monitors the risks of the DIA Group based on the information provided by the Risk Management Department, as well as the other responsible departments and management units, which have been monitored by said Committee.

The Audit and Compliance Committee is responsible for regularly overseeing and reviewing the effectiveness of the process for managing risks, financial and non-financial, including tax risks, and verifying its suitability and integrity.

The minutes of Board and Committee meetings are stored in a documentary management system, to which all directors have confidential access.

The Management Committee is ultimately responsible for implementing the risk management process at group level identifying risks, assessing them, providing the appropriate responses to risks that fall outside the risk appetite, monitoring them and actively participating in reporting them.

The second line of defense has been strengthened by including the risk management and internal control functions in a single corporate function in charge, among other tasks, of managing risks in the DIA Group on a comprehensive basis. This area regularly reports to the Audit and Compliance Committee, thereby ensuring its independence.

The head of this area participates in the meetings of the Risk Management Committee, which has the following functions:

- analyzing the business environment and any new projects that could have a direct or indirect influence on the DIA's risks, as well as considering the inclusion of new risks and/or the disappearance of some of the existing risks;
- monitoring, on an ongoing basis, the key risks identified on the risk map (especially those closely related to DIA's main interest groups, such as its customers, franchisees and suppliers);
- recommending the development of specific action plans, planning their monitoring and the continuity of existing action plans.

Furthermore, the Risk Management Committee periodically performs a detailed assessment and analysis of DIA's risks. The DIA Group's Management Committee and the Audit and Compliance Committee are regularly informed of the conclusions and significant events observed in relation to the Group's key risks. In addition, the Risk Management Committee informs the DIA Group's Management Committee if, in its analysis, it detects relevant issues, and said Management Committee can request additional information on the Risk Management Committee's findings where it sees fit to do so.

E3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

DIA defines risk as any internal or external contingency that, should it materialize, would prevent or make it difficult to meet the objectives set by the organization. It therefore considers that a risk arises as a result of missed opportunities and/or loss of strengths, as well as from the materialization of a threat and/or increase in a weakness.

The DIA Group's financial and non-financial corporate risks may be grouped into the following categories:

- Strategic Risks: risks that measure the achievement of the Group's objectives.

The risks contained in this category are:

- Country Risk
- Governance Model
- Difficulty to assimilate the DIA Group's culture and put it into practice
- Non-fulfillment of the Business Plan
- Failure to include ESG objectives in the Company's business plan
- Competition risk

- Operational risks: risks related to: an inadequate adaptation of the operating model, the supply chain, human resources management and risks related to information systems, among others.

The risks contained in this category are:

- Inadequate selection (value proposition)
- Inadequate supply chain management
- Dependence on suppliers
- Inadequate investment management
- Difficulty to attract and retain talent
- Lack of information integrity
- Business continuity
- Food crisis / public health
- Known/unknown loss
- High occupational accident rate
- Inadequate commercial management
- Outage of key information systems
- Information leaks
- Technological obsolescence of operating systems and/or IT applications
- Cybersecurity
- Inadequate management of franchise partners

- Compliance Risks: these include risks related to breaches of corporate policies, foreign regulations, integrity, anti-corruption and bribery, social issues and the securities market.

This risks contained in this category are:

- Fraud
- Inadequate contractual management
- Tax risk
- Breach of GDPR regulations

- Financial risks: market risks, credit risks, liquidity risks and in which we would also include tax risks.

The risks contained in this category are:

- Inaccuracy in financial reporting
- Exchange rate
- Liquidity and/or financing

- Reputational risks: considered as risks that, should they materialize, directly or indirectly affect the management of the DIA Group's stakeholders (customers, suppliers, financial institutions, etc.).

The risks contained in this category are:

- Damage to the Company's reputation and/or image
- International sanctions

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

DIA's Management Committee reviews DIA's risk tolerance level, which is presented at the ACC for annual approval.

The risk assessment scales (probability and impact) are updated in order to adapt them to

the strategy and circumstances of the business. These assessment scales consider the various components of risk impact and probability of occurrence, and enable risks to be assessed in each business unit and at corporate level. These scales form the basis for defining the Group's tolerance level.

The DIA Group's RMM defines tolerance as "the acceptable level of variation that DIA is willing to accept with respect to the achievement of its objectives." It is therefore the maximum specific risk that the organization is willing to bear.

The tolerance level is used to prioritize the management and monitoring that needs to be carried out for each type of risk, trying to maintain them within the approved tolerable level.

E5 Indicate which risks, including tax risks, have materialized during the year.

Fiscal year 2021 saw the materialization of risks inherent in the business model, the Group's activity and the market environment stemming from specific and extraordinary circumstances related to business development and the economic cycle.

To address the COVID-19 crisis, the DIA Group has deployed human and technical resources, as well as the action protocols necessary to reconcile the essential objective of protecting the health and wellbeing of its employees with that of maintaining a suitable level of service for all its customers from our warehouses and stores, in order to ensure the functioning of the global food distribution chain of which the DIA Group forms part, an objective that has been successfully met.

In addition, risks related to the following have materialized:

- (i) The high competition existing in the food distribution sector.
- (ii) The delay in adapting the business model to the market's needs given that its needs are constantly changing and must be adapted to swiftly.
- (iii) The social and political situation of the countries where the Group operates, as instability in this respect has occasionally led to the supply chain being affected.
- (iv) Exchange rate risk due to the Group's presence in countries with high currency fluctuations. Argentina, a country where the Group operates, was deemed a hyper-inflationary economy in 2019.

Events subsequent to the year:

1. Ukraine war

As of the date of this report, in the geopolitical realm as a result of the war between Russia and Ukraine, serious consequences exist which materialize in the following external events impacting the DIA Group's risks:

Operational risk due to the raw materials crisis caused by the shortage of raw materials. This affects, on the one hand, the materialization of the dependence on suppliers risk due to suppliers' inability to acquire the raw materials needed to manufacture their products and, on the other, the supply chain management risk caused by the increase in the price of fuel and the potential shortage of products at stores and sales outlets.

2. International Sanctions

As regards the risk of international sanctions from the EU in response to the Ukraine crisis and, specifically, the package of sanctions against Russia, the Company has reported to the CNMV, by publishing notices of Other Relevant Information on February 28, 2022, March 15, 2022, and March 22, 2022 which, in the context of the EU's restrictive measures in response to the Ukraine crisis and, specifically, with respect to international sanctions imposed on Russia, the Company is controlled by Letterone Investment Holdings S.A. ("LIHS"), which holds a 77.704% stake in its share capital. Furthermore, according to the information available at this time and originating from LIHS, no natural person shareholder of LIHS has control of LIHS, neither individually nor through an agreement with other shareholders. Consequently, the Company is not affected by the international sanctions adopted in response to the Ukraine crisis.

E.6 Explain the response and supervision plans for the company's main risks, including tax risks, as well as the procedure followed by the company to ensure that the board of directors responds to the new challenges.

<p>The supervision model of the risk management system is based on the definition of risk indicators, whose information is reported to the Risk Management Committee, where the response plans proposed by the risk managers are presented and assessed, and which will be followed up on at subsequent Risk Management Committee meetings.</p> <p>The risk managers, in each risk unit, follow up and monitor the defined risks on an ongoing basis, using previously defined risk indicators. Depending on the tolerance level established, the indicators enable them to ascertain whether the risk has materialized or the risk levels have increased.</p> <p>At the same time, significant events occurring during the reference period are reported to the Risk Management Committee, together with the related actions plans defined in order to mitigate the Company's risks. Such action plans are monitored to confirm their implementation and effect.</p> <p>It is also important to highlight the implementation and/or development of other control and compliance systems that supplement and reinforce the Group's risk management, including most notably the Compliance and Sustainability System and the Internal Control System.</p> <p>DIA has set policies and procedures designed to inform and train employees on certain principles of conduct and to prevent and detect inappropriate conduct. It is important to note in this respect:</p> <p>(i) Code of Ethics and Ethics Channel for Consultation and Whistleblowing.</p> <p>In 2021, the DIA Group's Code of Ethics has been revised to bring it into line with the DIA Group's new values and to streamline it and make it more practical in nature. DIA's Board of Directors approved this update on September 13, 2021 (available at www.diacorporate.com). Within DIA's cultural transformation, its ethical principles are the foundation that make it possible for its values to be consistent and to achieve its goal of being an example of rigor, honesty and professionalism.</p> <p>The Company believes that the Code of Ethics is the best instrument for putting a compliance policy into practice at all company levels.</p> <p>The DIA Group's Code of Ethics sets out the principles of conduct that all DIA Group employees must know and comply with, in an environment of trust and responsibility. The ethical principles – cornerstones of the Company's Culture of Ethics and Integrity – are Respect, Integrity, Commitment, Loyalty and Responsibility. Like all other rules defined by the Company, the Code is of mandatory compliance for all employees.</p> <p>The Company has established the Ethics Hotline (<i>Línea Ética</i>), a channel for consultation, information and communication of suspicious conduct, whose purpose is to allow all stakeholders to resolve doubts of interpretation and communicate possible breaches of the Code (explained in section F.1.2). Messages can be sent anonymously, although anyone identifying him or herself will continue to have the maximum guarantees of confidentiality and non-retaliation.</p> <p>Reports received by the Ethics Hotline are managed by the Ethics Committees set up in each country or at the corporate level.</p> <p>(ii) Crime Prevention Model ("CPM")</p> <p>DIA has implemented a CPM with the aim of establishing the most appropriate procedures and internal control policies to prevent the commission of illegal actions and, where necessary, to achieve the Company's exemption from criminal liability pursuant to the current Organic Law 1/2015 of March 30, 2015, amending Organic Law 10/1995, of March 23, 1995, approving the Criminal Code.</p>

In January 2021, the Board of Directors approved the update of the CPM implemented in 2012. Within the organization, the Compliance Function is the cornerstone of the CPM and is responsible for its maintenance and proper functioning. Thus, the CPM implemented by DIA has suitable and efficient control measures aimed at preventing and detecting the commission of crimes for which DIA could be held criminally liable. The CPM was monitored and supervised throughout 2021.

(iii) Anti-Fraud and Anti-Corruption Program

In May 2016 the Board of Directors approved the Crime Prevention and Anti-Corruption Policy, which is available on the Company's website: www.diacorporate.com. DIA has implemented an Anti-Fraud and Anti-Corruption Program in all jurisdictions in which it operates. As a result of this Program, in each country the DIA Group has a matrix of risks of fraud, analyzed in terms of frequency and impact, which includes the controls that are in place to avoid this conduct. The person in charge of fraud prevention is also responsible for crime prevention.

(iv) Sustainability Responsibility

Its objective is to ensure the creation of value for all stakeholders and guarantee that short-term decisions do not compromise the Company's ability to continue creating value in the future. This is what DIA understands by "sustainability" and what guides the day-to-day work of the Company to make it one of the most competitive companies in the industry.

The foregoing is established in the DIA Group's 2021 Sustainability Policy, which updates and brings together the previous Corporate Social Responsibility and Environment Policies. The objective of the Sustainability Policy is precisely to establish the principles and mechanisms for action that enable the Company to fulfill its aim of getting "closer each day" to its stakeholders.

One of the main instruments for implementing this vision has been the approval by the Board of Directors of the first DIA Group 2021-2023 Strategic Sustainability Plan in February 2021. This Plan defines commitments, actions and performance indicators for Group's most material matters, ensuring proactive management of both risks and opportunities in the area of sustainability.

In addition to the approval of this Plan, a governance model has been defined which ensures that this vision of sustainability is implemented, accountability for sustainability is apportioned and objectives are met. Improvement in the satisfaction of the main stakeholders (customers, employees, franchisees and suppliers) and the monitoring of the performance of the Strategic Sustainability Plan as regards internal targets is carried out by both the Group's Management Committee and each country's Management Committee. Ultimately, the Board of Directors is responsible for implementation of both the Sustainability Policy and the Sustainability Plan (102-20).

(v) Tax Policy

In 2015 the Board of Directors of DIA approved its Tax Strategy Policy. The DIA Group has defined a tax policy aimed at ensuring responsible compliance with tax regulations, based on the corporate interest and supporting the business strategies of the Group.

The tax purposes, principles and good practices that make up DIA's tax strategy should guide its decision-making at any level, and should also underlie the actions of the many companies forming part of the DIA Group. DIA directs its activity towards monitoring and controlling good practices.

(vi) Compliance with the regulations to which the Company is subject

The Company has the responsibility to identify, measure and minimize statutory risks by continuously observing the regulatory framework applicable to it and reporting on compliance with statutory obligations to the Company staff in charge of operations.

In order to execute and perform this function suitably, the Company has an organizational structure comprising a Human Resources Department, a Financial and Tax Department and a Legal Department, in all jurisdictions in which it operates, whose function is to

identify the applicable legislation and supervise compliance therewith.

With a view to suitably identifying the regulatory framework and supervising compliance therewith, DIA has taken the following steps:

1. Establishment of a regulatory control and monitoring procedure The Legal Department, with the support of local legal departments, as applicable, identifies and describes the key legislation applicable to DIA, paying special attention to the main processes of the supply chain.

The Legal Department is in charge of informing the Company's other areas or departments of the contents and scope of new regulatory features and/or key changes, designing and holding training sessions, either in person or as e-learning, if the legislative change has a notable impact on DIA's activity.

2. Creation of the Regulatory Compliance Unit and designation of the Regulatory Compliance Officer

DIA has a Regulatory Compliance Unit ("RCU") with functions in regulatory compliance and corporate governance at the Company. The RCU is in charge of ensuring effective compliance with the obligations under the Internal Code of Conduct for the Security Market (the "ICC"), its main tasks being, inter alia:

- to encourage awareness of the ICC and the rules of conduct concerning the securities market and market abuse and to ensure compliance therewith;
- to determine who is subject to the ICC and any periods of restricted activity, exemption from or need for authorization for carrying out transactions with securities;
- to bring disciplinary proceedings for breach of the ICC;
- to report periodically to the Audit and Compliance Committee of the Board of Directors on any measures taken to encourage ICC awareness and ensure compliance therewith.

The Company also has a Regulatory Compliance Officer who is a member of the RCU and is responsible for the proper functioning of the RCU. The Officer serves as a liaison with the CNMV and ensures compliance with the ICC, monitoring and recording transactions in securities.

With respect to the function of monitoring and recording transactions in securities, the Company has established a procedure for reporting securities transactions that is compulsory for all persons subject to the ICC.

(vii) Internal Control System (ICS)

The Group's Internal Control Policy establishes the operating principles and behavioral guidelines that should govern the DIA Group's ICS and, consequently, the actions of its directors, executives and employees in the performance of their duties.

The DIA Group's ICS, based on the COSO internal control-integrated framework, covers the following areas or categories of objectives in order to place the focus on different aspects of internal control:

- Operational area — with respect to the effectiveness and efficiency of operations, supply chain and the commercial area of the organization, including objectives relating to performance and protection of assets against potential losses.
- Reporting area — with respect to internal and external financial and non-financial reporting, covering such aspects as reliability, timeliness, transparency and other concepts established by the regulators, standardization bodies and by Group policies.
- Compliance area — with respect to compliance with voluntary commitments, values and laws and regulations to which the Group is subject in each country.

Internal control is a process conducted by the Board of Directors, Management and the other personnel of the entity with a view to providing a reasonable degree of certainty regarding the achievement of the objectives relating to operations, reporting and compliance with internal and external regulations.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprised in the control and risk management systems for the financial reporting process of your company.

F.1 The entity's control environment

Report on at least the following, describing their main characteristics:

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of suitable and effective ICFR; (ii) its implementation; and (iii) its supervision.

The Internal Control Over Financial Reporting (the "ICFR system") forms part of the Internal Control System and is configured as a series of processes carried out by the Board of Directors, the Audit Committee, senior management and the personnel involved in order to provide reasonable certainty as to the reliability of the regulated, never absolute, financial reporting in relation to the objectives that it pursues, due to the limitations inherent in any internal control system.

The Board of Directors is responsible for the existence and maintenance of a suitable and effective ICFR system. For such purpose, article 5 of DIA's Board Regulations provides that one of the Board's non-delegable powers is to approve "a policy for the control and management of risks, including tax risks, identifying the Company's main risks and organizing suitable internal control and reporting systems". ICFR supervision is entrusted to the Audit and Compliance Committee (the "ACC").

Under the Group's ICFR policy, in addition to the oversight provided by the ICFR function, senior management is responsible for designing, implementing and operating the ICFR system.

The ICFR function also promotes control awareness in the Group's business units, fostering awareness with respect to control requirements at all organizational levels, and carries out monitoring activities with continual support in its tasks, including: (i) defining ICFR-related documentation; (ii) validating the effectiveness of the controls, and (iii) implementing the action plans entrusted to them, as the case may be.

The DIA Group has an ICFR Manual that completes the aforesaid policy, the objectives of which are:

- To define the framework for ICFR actions in the DIA Group.
- To establish the basis for:
 - Identifying critical risks and control in order to ensure reliability of information.
 - Supervising and anticipating possible corrective measures.
 - Efficiently register, process and prepare the financial information and appropriately conduct controls.
- To determine the methodology for appropriate ICFR within the DIA Group.

The ICFR system, established at DIA in 2012 to comply with the legislation imposed on listed companies in accordance with the framework of the Committee of Sponsoring Organizations for the Commission of the Treadway ("COSO") conducted in 2021 a review of the risks and controls of the matrices of the business units in which the Group operates. This entailed a streamlining of the ICFR controls, with a focus on key controls for more effective ongoing monitoring, which at no time has implied reducing the financial control environment. Accordingly, the matrices of risks and ICFR controls of the Group's business units are reviewed, updated and approved by the CFOs and Chief Executives of each of them.

This exercise has been supplemented with the certification of critical and financial points and other corporate areas, to which an ICFR control structure has been assigned with a broadened review approach. In other words, it goes beyond the traditional scope of ICFR, as it is more cross-cutting at the company level and not only financial in nature, which have been included in the catalog of ICFR controls.

As a result of this analysis, a series of critical points has been identified and approved by the CFOs and Chief Executives of the business units that have resulted in a heat map of critical points by country. The assessment of their effectiveness has been supervised in order to ensure their proper functioning. This entails identifying areas for improvement and implementation of action/remediation plans, and establishing a road map of the plans to rectify those controls associated with a critical point that is not present and operational.

All of the above has been validated by a control-level ICFR Certification system through an SAP Governance, Risk and Compliance ("SAP GRC") tool, thereby complying with CNMV Circular 2/2018, of June 12, 2018, since there is a self-assessment system, the purpose of which is to evidence, along with the persons responsible for each process, the existence and evaluation of ICFR within the Group.

This entire process of continuous strengthening of ICFR at the Group takes a multi-country approach in which the CFOs and Chief Executives of the business units take responsibility for ICFR controls. The internal control governance model continues to be strengthened with respect to financial reporting, sharing of best practices and recommendations among the various users and heads of the various business units.

As of the date of this report, ICFR is handled by Corporate Management with direct reporting to the DIA Group's Executive Management and with direct supervision by the ACC. This new structure takes a broad and comprehensive view of the integrated management of corporate and internal control risks, bringing together all facets relating to internal control in their broadest conception.

The ICFR department has a total of five people in the area, two of whom are internationally certified as specialists in internal control and business risk management (BRM), as each one has obtained an official international certification issued by COSO, along with the Spanish Institute of Internal Auditors.

The Board of Directors, through the ACC, is entrusted with supervision of ICFR. Pursuant to article 23 of the Board Regulations, the ACC has, inter alia, the authority to "supervise and review the drafting and reporting process for mandatory financial information" and to "supervise and review periodically the efficiency of internal control" receiving support from the Internal Audit Department. The latter's bylaws regulate its mission to ensure that the internal control system functions effectively and efficiently.

In compliance with the recommendations set forth in CNMV Technical Guidelines 3/2017, on December 14, 2017 the Board of Directors approved the Audit and Compliance Committee Regulations, which are aimed at defining the Committee's responsibilities and principles of action, as well as its basic organizational and operating rules, and fostering the Committee's independent functioning.

The drafting and reporting process for financial data related to the Company and its Group, set forth in article 8 of the Committee Regulations, must be monitored on an ongoing basis, supervising the drafting and reporting process and the clarity and integrity of the Company's economic and financial information, reviewing compliance with the regulatory requirements, the suitable definition of the scope of consolidation and the correct application of the accounting principles, with a view to safeguarding their integrity. It must also assess compliance with statutory requirements and the correct application of the generally accepted accounting principles. The main duties related to the internal control and risk management systems, set forth in article 9 of the Committee Regulations, include most notably: a) reviewing periodically the effectiveness of the internal control and risk management systems as a whole; b) supervising the risk management control policy for risks with an impact on the achievement of corporate objectives; and c) fostering a control culture in which risk is a factor to be considered in the Company's decision-making.

In addition, the Group has an Internal Control Committee at Group level, made up of a coordinator and representatives of the various control areas (operational, reporting and compliance).

The Committee is responsible for providing a comprehensive picture of the functioning of the internal control system (ICS) and it is set up as a forum through which the various documents regulating it are approved, proposals for improvement are channeled and the strengthening of the various control areas is facilitated.

Following the start-up of the DIA Group's new ICS and the introduction of BRs (binding rules that cover key risks in the three control areas and which apply throughout the DIA Group) in 2020, its activity in 2021 has been focused on supervising the controls established in the BRs, through self-assessment thereof in SAP GRC which has been supplemented with the selective testing of a third of such controls.

F.1.2. Whether the following components exist, especially in connection with the financial reporting process:

- Departments and/or mechanisms in charge of: (i) designing and reviewing the organizational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring that there are sufficient procedures for their effective circulation within the company.

The maximum authority in charge of designing and reviewing the Group's organizational structure, the responsibilities undertaken by each of its members and the status of such members having regard to their responsibilities, is the Executive Chairman. In the case of senior management, these posts are proposed by the Nomination and Remuneration Committee and approved by the Board of Directors.

The year 2020 saw a segregation of functions between the Group (Corporate) and Spain as another business unit within the Group for all business areas, as well as human resources. In this regard, the Group Human Resources Management, via the Group HR Director, takes responsibility for defining an organizational model and business units, and, via the country HR Director / Business Unit, they take responsibility for implementing and communicating them in their respective areas.

The following tools are used by the DIA Group:

- (i) a flowchart indicating the hierarchical relationships within the Company, showing each job and jobholder;
- (ii) a "job map" for middle management and executives, with a description indicating job title and the associated status;
- (iii) assessment by the various managers of the position's contribution of value to the organization based on a 6-tier general theoretical system.

This new organizational model was initiated in all countries of the group in January 2021.

ICFR documentation for each of the financial processes includes a risk and control matrix that shows the organizational structures that are the owners of each control in connection with the financial reporting process. All this information is gathered in the SAP GRC tool, individually identifying the Control Owners, as well as their immediate superior and their corresponding managers.

- Code of conduct, approving body, degree of circulation and instruction, principles and values covered (stating whether there are specific references to record keeping and financial reporting), body in charge of analyzing cases of breach and proposing corrective or disciplinary action.

The DIA Group has a Code of Ethics approved by the Board of Directors. The Board of Directors considers that the Code of Ethics (the "Code") is the best instrument to put into practice a "trickle-down" compliance policy, guiding its employees by example, with certain lines of conduct or behavior.

The Code of Ethics has been updated, approved by the Board of Directors, published and notified to employees in the second half of 2021.

This Code establishes and implements the following five ethical principles:

- Respect – we respect people and generate an environment of trust, diverse and inclusive, in which we defend different opinions.
- Integrity – We act in an integral and transparent manner. We seek to do the right thing and achieve the best results without harming the interests of others.
- Commitment – Our conviction and commitment are that the client and the rest of the DIA Group stakeholders are an essential part of our Company.
- Loyalty – We work loyally, complying with all the regulations and commitments to which DIA Group is adhered. We strive to learn every day the implications of our activity and the way in which it is regulated.
- Responsibility – In our daily work we are responsible entrepreneurs. We focus on taking care of the assets and information that the Company makes available to us.

In connection with financial information, assets and information are protected and DIA's commitment to providing accurate and complete information is explained, ensuring the reliability and accuracy of all financial information, whether used internally or reported to the market. The DIA Group has a Group Ethics Committee, which regularly reports to the Board of Directors. In addition, there are Ethics Committees in each of the countries where the DIA Group carries on its activity. These committees have sufficient autonomy and independence to pursue their remit. The Code is of mandatory compliance for all employees.

All Group Department Heads have agreed in writing to submit to the Code, which submission is centralized by the Group's Human Resources Department, undertaking to uphold all ethical principles,

to ensure that the teams under their responsibility do the same and put them into practice. Furthermore, all new employees, when signing their employment contract, will receive a copy of the Code and must sign an agreement to submit to it. The most relevant tools available to the Compliance Function and to the Ethics Committees to disseminate the DIA Group's Ethics and Integrity Culture are (i) the training sessions conducted each year on all or some of the ethical principles and (ii) the management of the reports received through the Ethics Hotline (see next section).

- Whistle-blowing channel, for reporting to the audit committee any irregularities of a financial or accounting nature, as well as potential breaches of the code of conduct and malpractice within the organization, stating whether reports made through this channel are confidential and whether it enables anonymous reports to be made respecting the rights of the whistle-blower and the party being reported.

The DIA Group has a unified communication channel ("Ethics Hotline") for submitting queries and/or complaints online or by phone. This channel ensures that the DIA Group's activity is carried on securely, transparently and effectively. Using the WhistleB platform, the DIA Group offers an open, transparent and secure space in which any third party and, in particular, employees, franchisees and suppliers, can resolve any questions they may have on the interpretation of the DIA Group Code of Ethics and report potential breaches thereof.

All questions and reports are received by the Group Compliance Department, which forwards the cases to the corporate and/or country Ethics Committee. Any breach of the Code is analyzed and managed by the corporate and/or country Ethics Committee in accordance with its operating protocol, and is resolved pursuant to applicable internal and external regulations.

Communications and/or reports received, whether in someone's name or anonymously, will be assessed and processed in compliance with three general basic principles: (i) confidentiality, (ii) non-retaliation and (iii) personal data protection. Thus, the data of whistle-blowers and of any person involved in the investigation will be treated confidentially in accordance with the personal data protection legislation applicable in each jurisdiction, with zero tolerance of retaliation against employees using the Ethics Hotline in good faith in order to inform the Ethics Committee of possible irregularities. The Ethics Hotline is managed in the Whistleblowing Center, which ensures that all questions and reports made through the channel are encrypted and protected with security measures. Accordingly, the Ethics Committees can communicate confidentially with the reporting and/or requesting party, and proper records are kept of all elements of the case file.

In 2021, on a quarterly basis, the Ethics Committees of each country sent the corporate Ethics Committee an itemized report of the reports received and investigated during the immediately preceding quarter, stating the reference or registration number, date of receipt, type of whistle-blower (employee, franchisee, supplier of service or merchandise or others), the ethical principle breached, procedural status and, as the case may be, resolution. In addition, a report is regularly sent to the ACC, providing consolidated statistics at Group level.

In 2021, the Ethics Hotline processed a total of 548 messages, of which 533 were reports and 15 were questions.

Of the 533 reports processed, 77 were in progress at the end of 2020 and 456 were received in 2021. Of the 533 reports, 241 were made by employees (45%), 2 by franchisees (1%), 5 by suppliers (1%), 12 by customers and/or third parties (2%) and 273 (the remaining 51%) as anonymous tips. At December 31, 2021, 483 of these cases had been resolved, while 50 were still in the investigation phase.

Of the reports resolved, 341 were dismissed or resolved due to lack of evidence or because it was concluded that there was no irregular conduct (71%), and the remaining 142 saw the confirmation of a breach or irregular conduct (29%). Of these 142, disciplinary measures were applied in 58, such as the temporary suspension of workers or even the departure or removal of the employees reported, a contract with a franchisee was canceled in 1 case and the appropriate measures were adopted by the area in question or training actions were recommended in the rest of the cases.

In terms of the questions submitted, 5 were made by employees (33%), 1 by franchisees (7%), and 9 (the remaining 60%) anonymously. At December 31, 2021, 12 of these cases had been resolved, while 3 were still in the investigation phase.

Of the questions resolved, 4 were forwarded to the Human Resources Department or the responsible department for it to answer an employee's question (33%), 7 were resolved directly by the Ethics Committee (59%), and the remaining questions were closed due to lack of response from the consulting party (8%).

- Training and refresher courses for staff involved in financial reporting, as well as in assessing the ICFR, which address at least accounting standards, auditing, internal control and risk management.

DIA's training plan seeks to play a key role in contributing to the achievement of the Company's strategic objectives and the professional and personal development of its collaborators. To do this, it is divided into two separate chapters:

- Technical training plan: aimed at endowing its collaborators, through official training, with the technical know-how needed for the performance of their job. All areas are assigned a training budget, depending on the number of members and their status, which they manage according to their needs.
- Training plan for the development of skills: aimed at providing, through official training, the necessary skills for holding positions of greater responsibility. This includes special training programs, such as master's degrees, languages, skill development, cross-awareness and others.

External and internal training actions have been carried out under the technical training plan. Various training actions were carried out in 2021, with a total of 321 hours' training. These actions consisted of training and refresher courses for staff involved in financial reporting, as well as in assessing the ICFR, and covered accounting rules, auditing, internal control and risk management, among other areas of knowledge.

F.2 Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating:

- whether the process exists and is documented

DIA develops practices for the design and maintenance of an internal control system that makes it possible to provide reasonable certainty as to the reliability of official financial reporting, which includes the process aimed at identifying risks of error or fraud in financial reporting, based on the internationally recognized COSO internal control-integrated framework.

DIA has a risk management system that applies to all the Group's countries in accordance with the Risk Management Policy. This Policy states the key principles for the correct functioning of the risk management system and the methodology to be used for effective management that contributes to meeting the business objectives set by the Management.

As regards the risk identification process, the Corporate Policy on the Internal Control Over Financial Reporting System establishes that the assessment of risks enables the Group to analyze the accounts and the disclosures that have a significant associated risk, the potential impact of which on financial reporting is material.

The starting point for managing financial reporting risks consists of identifying the risks that may affect it. To this end, the information contained in the Group's most relevant financial statements is analyzed, selecting the most relevant accounting items based on quantitative criteria (materiality) and qualitative criteria (fraud, unusual transactions, accounting judgments and estimates, etc.). The selected items are associated with processes where information is generated through the assessment of the risks identified and the analysis of the impact of potential events on the achievement of objectives related to the reliability of the financial information.

The findings of the financial information risk assessment will form the basis for designing and implementing ICFR control activities.

The ICFR manual establishes that the management teams are responsible for identifying the risks of error or fraud in the financial reporting.

In this respect, any risks that may give rise to errors and/or fraud in the financial reporting are identified for each of the significant accounts and disclosures.

Additionally, the DIA Group's risk identification process considers:

- the understanding of the control environment of each Group country;
- the identification of the particular features of the Company's business process flows in each country, and their impact on financial reporting, in order to identify the main control risks inherent therein;
- the effects of other types of risk (operating, financial, strategic, regulatory compliance and others) that may have an adverse effect on the reliability of financial reporting.

As a result of this assessment, a matrix that identifies risks (scoping matrix) is obtained where the risk areas are identified in order to prioritize and oversee the relevant processes and controls that mitigate the risks detected in this analysis. The ICFR scoping matrix:

- is prepared on the basis of the audited consolidated financial statements for the year ended December 31, updated annually;
- It is approved by the ACC.
- its aim is to identify the accounts and disclosures entailing a significant associated risk, whose potential impact on financial reporting could be material. Thus, the approach for determining the ICFR work scope is based on risk management and on a variation analysis system (qualitative and quantitative methods). These objectives are reviewed and updated regularly in the event of any material change with an impact on the financial reporting.

DIA's Internal Control features operate jointly with the responsibility to prevent, detect, compensate, mitigate or correct errors, with a material impact, or fraud in financial reporting.

- whether the process covers all financial reporting objectives (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), is updated and how frequently.

Each ICFR process at the DIA Group has the following related documentation: flowcharts, descriptions, control and risk matrices, as well as the rules, policies, procedures and IT systems that support it.

As noted in the above point, for each relevant account and disclosure, the key processes and sub-processes, as well as the key activities associated therewith, have been defined, identifying any risk that may give rise to errors and/or fraud in financial reporting, covering all financial reporting objectives: (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations).

Existence and occurrence: The transactions, facts and other events gathered by the financial reporting actually exist and have been recorded at the right time.

Integrity: The information reflects all of the transactions, facts and other events in which the entity is an affected party.

Valuation: The transactions, facts and other events are recorded and valued in accordance with the applicable legislation.

Presentation, breakdown and comparability: The transactions, facts and other events are classified, presented and disclosed in the financial reporting in accordance with the applicable legislation.

Rights and obligations: The financial information reflects rights and obligations, as at the corresponding date, through the relevant assets and liabilities, in accordance with the applicable legislation.

The ICFR system is subject to ongoing review and monitoring in accordance with an annual work plan prepared on the basis of audit work methodologies, pursuant to the International Standard on Auditing entitled "Materiality in Planning and Performing an Audit" (ISA 320).

The annual ICFR work plan for 2021 was presented to the Audit and Compliance Committee on April 27, 2021.

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- whether a specific process is in place to define the scope of consolidation, with reference to, inter alia, the possible existence of complex corporate structures, shell companies or special purpose vehicles

Each quarter the Group's Legal Department confirms the data on the companies forming part of the group of companies to the Group's Reporting and Consolidation Department (organizationally dependent on the Group's Finance Department).

The DIA Group internal rules regulate the responsibility of each country's legal department for keeping the country's corporate and control structure up to date, and the duty to report on it to the country Finance Department and to the Group Legal Department on a quarterly basis and/or whenever there has been a change. In turn, the country Finance Department and the Group Legal Department report to the Group Reporting and Consolidation Department on the country's scope of consolidation and on the corporate and control structure within the Group, respectively, so that the Group Reporting and Consolidation Department can determine the scope of consolidation of the Group.

Monitoring and updating each country's corporate structure, as well as the process for reporting and/or communicating with the Group Legal Department and the Group Reporting and Consolidation Department, are of mandatory compliance, since this is a Corporate Governance rule included in the DIA Group internal rules.

- whether the process addresses other types of risk (operating, technological, financial, legal, tax, reputational, environmental, etc.) insofar as they may affect the financial statements

As is indicated in section E of this report, the DIA Group has a risk management model based on the "Enterprise Risk Management - Integrating with Strategy and Performance" methodological standard published by COSO. This standard, generally accepted in the market, has been adapted to the DIA Group's needs with a comprehensive, systematic and detailed approach that enables it to identify, assess and respond to the risks related to the achievement of its business objectives.

The DIA Group business risks management process guarantees the identification of the different types of financial and non-financial risk the organization is exposed to (including operating, technological, social, environmental, political and reputational risks), with tax risks, contingent liabilities and other off-balance-sheet risks being included under financial risks.

The different risk types to which the Group is exposed are applied not only in financial reporting processes, but also in all operating and technical processes that could have a significant impact on accounting or management figures.

The process for the identification of risks affecting financial information takes into account the different types of risk to which the Group is exposed, which are identified in the DIA Risk Management model. In this respect, risks of a financial and non-financial nature, risks relating to the environment, operating risks and corporate governance and ethical risks, as described in section E of this report, are all considered to be particularly relevant when evaluating possible impacts on financial information.

The DIA Group's Management Committee is entrusted with overseeing the proper functioning of risk management processes and DIA has created, for this purpose, a Risk Management Committee, made up of the Chief Executives of the business units in each country, that of Clarel, and the Group Corporate Director.

- which of the company's governing bodies is responsible for overseeing the process

Responsibility for the existence and maintenance of an adequate and effective ICFR system lies ultimately with the Board of Directors.

Its supervision is entrusted to the ACC.

The Departments and Country Chief Executive are responsible for its design, implementation and functioning, and for identifying risks of error or fraud in financial information.

The Group also has a Group ICFR function as a Second Line of Defense, which is responsible for the design, implementation, functioning and monitoring of the ICFR system, and for raising internal control awareness in Group countries, for which the first step is to foster an awareness of control requirements at all organizational levels.

On April 27, 2021, the ACC approved the ICFR scope matrix for 2021, used to identify any accounts and disclosures that have a significant associated risk with a material impact on financial reporting. In this process to identify significant accounts and disclosures, both quantitative and qualitative factors were considered (transaction complexity, risk of fraud, inherent risk, degree of process standardization and others).

F.3 Control activities

Report on the existence of at least the following, and specify their main characteristics:

F.3.1. Procedures for reviewing and authorizing financial information and description of the ICFR to be disclosed to the securities markets, stating who is responsible in each case and the documentation describing the flow of activities and controls (including those addressing the risk of fraud) for each type of transaction that could materially affect the financial statements, including accounting close procedures and the specific review of critical judgements, estimates, evaluations and projections.

Financial information is reviewed periodically to ensure its quality and reliability. The Country Chief Financial Officers validate, on a quarterly basis, the financial information prepared and reported to the Consolidation Department using the HFM consolidation tool.

The procedure for reviewing and authorizing financial information is formalized each year by means of internal certificates issued by the Country Chief Financial Officer, and the Group Chief Financial Officer with the approval of the Country Chief Executive and the Executive Chairman, respectively. This process culminates with its submission to the ACC by the Group's Chief Financial Officer prior to the preparation of the Financial Statements by the Board.

The departments involved in ICFR processes have the responsibility of formally validating this documentation, which is then approved by the Group Chief Financial Officer through a formal validation and approval process, for publication on the DIA Group's Internal Regulations site. This process culminates with the Board's approval of the Annual Corporate Governance Report.

The ICFR function has documented the risks of error or fraud in financial reporting and the controls that mitigate said risks, which are related to the following processes/sub-processes:

- management of creditors and general expenses;
- cash and banks;
- closing, consolidation and reporting;
- purchases;

- inventories;
- valuation of goodwill;
- management of receivables from franchisees;
- management of corporate income tax;
- management of property, plant and equipment;
- contingent liabilities;
- staff;
- sales.

Special significance is given to closing, consolidation and reporting, as well as any issues affected by relevant opinions, estimates, valuations and projections.

The documentation of each process comprises:

- details of significant accounts and disclosures;
- details of IT systems affecting sub-processes;
- details of any procedures and internal rules approved by the Management, and which regulate said sub-processes;
- details of organizational structures;
- descriptions of each sub-process associated with each process;
- flowcharts for each sub-process;
- details of significant financial reporting risks (including those related to the risk of fraud), as well as other risks (operating and/or compliance) associated with the various sub-processes and control objectives;
- detailed description of key and non-key controls that mitigate each of the risks identified;
- outcome of the assessment of the internal control design provided by the ICFR, identifying any room for improvement and defining action plans, persons in charge and implementation deadlines.

For each control, the following has been identified:

- back-up evidence for the control;
- organizational structures and/or functions of responsible positions of each of the controls identified; additionally the SAP GRC tool has individually identified each owner, as well as those in charge of validation;
- frequency of controls;
- degree of control automation;
- type of control: to prevent or detect;
- whether it covers the risk of fraud.

The control owners, i.e., the owners of each control and those in charge of their supervision, are responsible for keeping the information up to date. Accordingly, the owner and those in charge of validation have been identified for each control, in order to ensure maximum traceability.

Through the SAP GRC tool (Process Control), the ICFR performs an ongoing process of updating, self-assessment and supervision of the correct functioning of the internal control system for financial reporting, ensuring its reasonable quality and reliability in a single centralized environment.

The SAP GRC tool helps to enhance the control environment at all organizational levels, facilitating the process to assess the design and effectiveness of the controls, as well as the monitoring of action plans.

Most notably, its functions permit: (i) keeping an inventory of the identified controls by Organizational and Regulatory Unit, associated to processes, sub-processes, risks, etc.; (ii) having available controls and associated risks, and plans to remedy them; (iii) launching reviews to evaluate the design and operational efficiency of the Internal Control Model; and (iv) obtaining detailed data reports.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company financial reporting processes

The DIA Group internal rules include Group Information Security Rules and a Corporate Information Security Policy describing the strategy followed to protect information relating to security linked to human resources, the management of assets, access control, encryption, physical and environmental security, operational security, security of communications, security in relation to suppliers,

management of security incidents, business continuity and compliance. The policy and associated regulatory framework are based on the ISO 27002 and ISO 27002 International Standards.

The policy defines the methods used to mitigate risks affecting confidentiality, integrity and availability of all information, including financial reporting.

Technological risk management is the process used by the Group to identify the threats resulting from dependence on IT systems and to establish action plans to guarantee business objectives.

In general, the following documentation on the internal control of IT systems exists:

- specific regulations on access control and information classification;
- security (cybersecurity) incident management rules;
- a methodology for software development and for differentiated environments is in place, with a view to ensuring that any changes in IT systems are suitably authorized and tested;
- software and project monitoring plan;
- IT systems are operated and monitored by authorized staff in accordance with operating procedures;
- back-up copies are made periodically of all information and stored in safe locations, and recovery tests are carried out;
- daily checks and monthly back-up reports;
- an incident management system aimed at resolving any difficulty that could arise in business processes;

In 2021, significant progress has been made in implementing the access and security controls required to ensure suitable levels of internal control and security in the Company's critical systems. A strategic cybersecurity plan has also been designed which will help to increase significantly the Company's degree of protection and control in the information security realm.

The Group's crucial business processes have various organizational and technological solutions that guarantee IT system continuity.

IT Contingency Plans, Disaster Recovery Plans (DRP) for corporate data centers, the Security Incident Response Plan, Evacuation Plans and the Corporate Crisis Manual have been updated.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services entrusted to independent experts, where these could materially affect the financial statements.

When the Group outsources certain tasks to third parties, it ensures the technical capacity, independence, competence and solvency of the subcontractor, which is a Big Four company or a prestigious company in the relevant country.

It should be noted that DIA has a "Consolidation Rule", which forms part of the Group's Binding Rules in the financial area. This Rule is posted in the corporate rules section of the DIA Group's website and includes a specific section on negotiating and hiring the Big Four firms, and seeks to provide an overall view at group level of all agreements reached by the Company with the Big Four consultancy firms, with the aim of establishing the bases that make it possible to improve negotiations in progress and optimize future negotiations with said consultancy firms.

In 2021 significant activities outsourced to third parties with an impact on the financial statements were the use of tax advisory services and support in the financial back-office transformation processes. These activities were carried on by firms of recognized prestige and validated by duly qualified Group staff supervised by the Management, which checked the fundamental assumptions used by the experts, as well as the reasonableness of their conclusions.

In addition, other activities have been outsourced to third parties for such matters as capital increases and debt refinancing and accounting, tax and corporate book management services for the Luxembourg companies.

F.4 Information and communication

Report on the existence of at least the following, and specify their main characteristics:

F.4.1. A specific function in charge of defining and keeping accounting policies up-to-date (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations at the company, as well as an updated accounting policies manual provided to all company operating units.

Every year, the Reporting and Investor Relations Department, organizationally dependent on the Group Finance Department, updates the Group Accounting Policies Manual prepared on the basis of the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

They are distributed by e-mail to all the staff involved in the various countries. The Manual was most recently updated in July 2021. In the event of significant changes affecting any of the Accounting Policies, an e-mail is sent to the team in charge.

The tasks assumed by the Reporting and Investor Relations Department include settling doubts regarding the interpretation of accounting policies, to be included in DIA's Accounting Policies Manual in the next update.

F.4.2. Mechanisms in standard format for the collection and preparation of financial information, which are applied and used by all units within the entity or group, and support the main financial statements and notes thereto, as well as disclosures concerning ICFR.

The Group has an HFM consolidation computer tool in all countries, which, after the SAP data has been uploaded by each country, makes it possible to prepare financial information in standard formats and facilitates the consolidation process.

Data loading is done manually extracting the SAP data and uploading the data load files to the tool. Preventive checks have been defined in the tool itself to ensure that data is uploaded correctly. In this way, information from the individual financial statements of all Group units is centralized in a single tool, with the same accounting plan. This same tool formalizes the financial information validation process for the Financial Officers of each country, as detailed in section F.3.1.

All information supporting the disclosures and notes to financial statements is included in the HFM tool.

F.5 Supervision of the functioning of the system

Report on at least the following, describing their main characteristics:

F.5.1. The ICFR monitoring activities undertaken by the audit committee and whether the entity has an internal audit function whose tasks include that of supporting the audit committee in its role as supervisor of the internal control systems, including the ICFR. Report on the scope of the ICFR assessment performed during the year and the procedure

used by those in charge of the assessment to report their findings, whether the entity has an action plan that details eventual corrective measures, and whether their impact on the financial information has been considered.

As indicated in section F.1.1, the Audit and Compliance Committee is in charge of “supervising and reviewing periodically the efficiency of internal control”, receiving support from the Internal Audit Department.

The Group has an Internal Audit Department that depends hierarchically and functionally on the ACC.

According to the Statute of the DIA Group's Internal Audit Department the latest version of which was approved by the ACC at its meeting on February 22, 2022, its responsibility includes, but is not limited to, objective examinations of evidence in order to provide independent assessments to the ACC and to the DIA Group's Management on the adequacy and effectiveness of the DIA Group's governance, risk management and control processes. The assessments performed by the DIA Group's Internal Audit Department include checking to see whether the processes / areas under review:

- the risks related to achieving the DIA Group's strategic objectives are adequately identified and managed;
- the actions of the DIA Group's employees, officers, directors, suppliers, creditors and business partners comply with the applicable policies, procedures and laws, and the DIA Group's regulations and governance rules;
- the results of operations or programs are consistent with the goals and objectives established;
- operations or programs are being conducted effectively and efficiently;
- the processes and systems established make it possible to comply with the policies, procedures, laws and regulations that could significantly affect the DIA Group;
- the information and means used to identify, measure, analyze, classify and report such information are reliable and have integrity;
- resources and assets are acquired economically, are used efficiently and are protected adequately.

When the annual internal audit plan contains a process / area that falls within ICFR, the DIA Group's Internal Audit Department assesses the design of financial reporting controls based on the risks and operation of such controls.

The main activities pursued by the Internal Audit Department are the tasks specific to its function which are performed in accordance with the International Professional Practices Framework published by the Global Institute of Internal Auditors.

The Internal Audit Department is in charge of executing the annual internal audit plan drawn up on the basis of risks. Each year, after a risk analysis has been performed and the processes audited in prior years have been considered, the Internal Audit Management Team proposes an internal audit plan to the ACC. Once the field work of the internal audit is performed in compliance with the work plan initially prepared to cover the most relevant risks of the process / area under review, the Internal Audit Department issues an internal audit report with a rating and which sets out the weaknesses, recommendations and action plans defined by the auditees and agreed with them to strengthen internal control. Each weakness has a risk-based assessment. This report is issued both to members of Management affected by the audit and to members of the ACC and the Executive Chairman. In addition, the Internal Audit Department conducts a monthly follow-up on expired action plans to make sure that they were implemented correctly and that weaknesses have been resolved.

The Internal Audit Management Team reports regularly to the Audit and Compliance Committee on the level of implementation of the action plans agreed with the audited parties.

The ACC, in accordance with the functions corresponding to it, includes in the Annual Audit and Compliance Committee Report the tasks carried out in its role as supervisor of the Internal Control System during 2021, including most notably:

- supervising the process to prepare and present the quarterly and six-monthly mandatory economic and financial information, both individual and consolidated, reported to the markets and to their supervisory bodies;
- suitably defining the scope of consolidation, correct applying the generally accepted accounting principles, and safeguarding the integrity of financial information;
- supervising relations with the external auditor of the Company, as well as its performance of the audit contract;

- assessing and approving the 2021 Internal Audit Plan;
- supervising and monitoring Internal Audit activities;
- supervising and monitoring the findings of the assessment of the ICFR for key and material processes in Spain and in the other countries in which the DIA Group operates;
- systematically monitoring and supervising Risk Management at the Company;
- reviewing related-party transactions;
- monitoring compliance with the Internal Rules of Conduct, the Board Regulations and, in general, the Company's corporate governance rules, without having detected any significant breaches;
- reviewing and approving this 2021 Annual Corporate Governance Report, in particular the matters specifically concerning the Committee itself, which are set forth in sections C, E, F and H of this Annual Report.

F.5.2. Whether there is a discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses identified during their review of the financial statements or other assignments entrusted to them, to the company's senior management and to the audit committee or company directors. Also state whether the entity has an action plan to correct or mitigate the weaknesses found.

Article 23 of the Board Regulations and article 6 of the Audit and Compliance Committee Regulations set forth the power of the ACC related to "serving as a communication channel between the Board of Directors and the auditors, assessing the findings of each audit and the management team's response to their recommendations, and intermediating in cases of discrepancies between the former and the latter regarding the principles and methods to be used to prepare the financial statements".

In 2021, the ACC held 8 meetings and, on 10 other occasions, resolutions were adopted in writing and without a meeting.

Each year the auditor formally informs the ACC of any significant internal control weaknesses detected in the performance of its work.

Each year the auditor meets with the Board members, in a plenary session, not attended by the Executive Chairman and without the chief executives of the Company.

As described in section F.2.1., the ACC approves the scope determined in the annual matrix and receives reports on the findings of the ICFR reviews and on the degree of implementation by ICFR of any remediation plans arising as a result thereof.

F.6 Other relevant information

N/A

F.7 External auditor's report

Report on:

F.7.1. whether the ICFR information reported to the market has been reviewed by the external auditor, in which case the corresponding report should be attached as a schedule. If not, explain the reasons why.

DIA had the external auditor review the ICFR information reported to the market for 2021. The scope of the auditor's review procedures was in line with the Action Guideline and model audit report referring to the information on the internal control system for financial reporting of listed companies of July 2013, issued by the corporations representing the auditors.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

If the company does not comply with any of the recommendations or complies only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behavior. General explanations are not acceptable.

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

Complies Explain

2. Where the listed company is controlled by another entity within the meaning of article 42 of the Commercial Code, listed or unlisted, and has, directly or through its subsidiaries, business relationships with another entity or any of its subsidiaries (other than those of the listed company) or pursues activities related to any of them, the following should be reported publicly and precisely:

- a) The respective areas of activity and any business relationships between on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.
- b) The mechanisms in place to resolve possible conflicts of interest.

Complies Complies partially Explain Not applicable

3. During the annual shareholders' meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies Complies partially Explain

4. The company should draw up and implement a policy for communications and contact with shareholders and institutional investors within the framework of their involvement in the company, as well as with proxy advisors, that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, including details of how it has been put into practice and stating the contact persons or persons responsible for its implementation.

Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximize the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies Complies partially Explain

5. The board of directors should not make a proposal to the shareholders' meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately publish a report on its website explaining the exclusion as envisaged in company legislation.

Complies Complies partially Explain

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual shareholders' meeting, even if their disclosure is not obligatory:
- a) Report on auditor independence.
 - b) Reports on the workings of the audit and nomination and remuneration committees.
 - c) Audit committee report on related-party transactions.

Complies Complies partially Explain

7. The company should broadcast its shareholders' meetings live on the corporate website.

The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the shareholders' meeting.

Complies Complies partially Explain

The Annual Shareholders' Meeting held on May 31, 2021 was not broadcast live. In addition, mechanisms were put in place to enable shareholders to participate and vote by electronic means in the meeting, which was considered sufficient given DIA's capital structure.

8. The audit committee should strive to ensure that the financial statements that the board of directors presents to the shareholders' meeting are drawn up in accordance to accounting legislation. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies Complies partially Explain

9. The company should disclose its conditions and procedures for evidencing share ownership, the right to attend shareholders' meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should facilitate shareholder attendance and the exercise of shareholder rights and be applied in a non-discriminatory manner.

Complies Complies partially Explain

10. When a verified shareholder exercises the right to supplement the agenda or submit new proposals prior to the shareholders' meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Publish the duly modified specimen attendance card or proxy appointment or remote voting form so that new agenda items and alternative proposals can be voted on in the same terms as proposals made by the board of directors.
- c) Put all these items or alternative proposals to a vote applying the same voting rules as for those submitted by the board of directors, with particular regard to assumptions concerning the direction of votes.
- d) After the shareholders' meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies Complies partially Explain Not applicable

11. In the event that the company plans to pay fees for attendance at the shareholders' meeting, it should first establish a general, long-term policy in this respect.

Complies Complies partially Explain Not applicable

12. The board of directors should perform its duties with unity of purpose and independent judgment, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximizing its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies Complies partially Explain

13. The board of directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is therefore between five and fifteen members.

Complies Explain

14. The board of directors should approve a policy aimed at promoting an appropriate composition of the board and which:

- a) is concrete and verifiable;
- b) ensures that proposals for appointment or re-appointment are based on a prior analysis of the skills required by the board of directors; and
- c) favors a diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favor gender diversity.

The outcome of the preliminary analysis of the skills required by the board of directors should be set out in the explanatory report of the appointment committee, to be published when the shareholders' meeting is called that is to ratify the appointment or re-appointment of each director.

The appointments committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Complies Complies partially Explain

15. Nominee and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum necessary, bearing in mind the complexity of the corporate group and the ownership interests they control.

Further, the number of female directors should account for at least 40% of the members of the board of directors before the end of 2022 and thereafter, and not less than 30% previous to that.

Complies Complies partially Explain

The first paragraph of this recommendation is complied with given that as at December 31, 2021, there was only one director with the category of executive out of a total of 8. With regard to the second paragraph of the recommendation, although DIA's Board of Directors does not currently meet the target female board membership level of 30%, with the appointment of Luisa Delgado, the percentage of female directors is 25%. The Board will endeavor to ensure that the successive searches to select candidates to fill the existing vacancy enable it to approach the target of 30% set for the following years.

16. The percentage of nominee directors out of all non-executive directors should be no greater than the proportion between the capital of the shareholder they represent and the remainder of the company's capital.

This criterion can be relaxed:

- a) At large cap companies where few shareholdings are legally considered significant shareholdings.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies Explain

17. Independent directors should represent at least half of all board members.

However, when the company does not have a large market capitalization, or when a large cap company has a shareholder or several shareholders acting in concert that control(s) more than 30 percent of the share capital, independent directors should make up, at least, one-third of board members.

Complies Explain

18. Companies should disclose the following director information on their websites and keep it regularly updated:

- a) Professional experience and background.
- b) Directorships held at other companies, listed or otherwise, and other paid activities they engage in, of any nature.
- c) Statement of the director category to which they belong, in the case of nominee directors, indicating the shareholder they represent or have links with.
- d) Dates of their first appointment as a board member and subsequent re-appointments.
- e) Shares held in the company, and any options on same.

Complies Complies partially Explain

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of nominee directors at the request of shareholders controlling less than 3% of capital; and explain any rejection of formal requests for board representation from shareholders whose shareholding is equal to or greater than that of other shareholders who have successfully requested the appointment of nominee directors.

Complies Complies partially Explain Not applicable

20. Nominee directors should resign when the shareholders they represent dispose of their shareholding in its entirety. If such shareholders reduce their shareholdings to a level that requires a reduction in the number of their nominee directors, the number of nominee directors should be reduced accordingly.

Complies Complies partially Explain Not applicable

21. The board of directors should not propose the removal of independent directors before the end of bylaw term for which they were appointed, except where it considers there is just cause, based on a report by the nomination committee. In particular, just cause will be deemed to exist when directors take on new offices or responsibilities that prevent them from dedicating the necessary time to the performance of their functions as director, breach the duties inherent in their office or become subject to any circumstances that strip them of their status as an independent director, in accordance with the provisions of the applicable legislation.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or similar corporate transactions that entail a change to the company's capital structure, where such changes in board structure arise from the proportionality criterion set out in recommendation 16.

Complies Explain

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organization's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal proceeding in which they appear as investigated parties, and of any developments in its procedural steps.

When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the nomination and remuneration committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. Information should be provided in the annual corporate governance report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented

Complies Complies partially Explain

23. Directors should express their clear opposition when they consider a proposal submitted to the board could be contrary to the corporate interest. In particular, independent and other directors not affected by the potential conflict of interest should challenge any decision that could harm the interests of shareholders not represented on the board.

When the board makes significant or repeated decisions about which a director has expressed serious reservations, then such director must draw the pertinent conclusions and, should they choose to resign, explain their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the board secretary, even if they are not a director.

Complies Complies partially Explain Not applicable

24. Directors who give up their position before their tenure expires, through resignation or resolution of the shareholders' meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the shareholders' meeting resolution, in a letter to be sent to all members of the board.

Without prejudice to the reporting of all the foregoing in the annual corporate governance report, if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.

Complies Complies partially Explain Not applicable

25. The appointments committee should ensure that non-executive directors have sufficient time available to correctly perform their functions.

The board regulations should establish the maximum number of company boards on which directors may serve.

Complies Complies partially Explain

26. The board should meet with the frequency necessary to effectively perform its functions and at least eight times a year, in accordance with the schedule of dates and items established at the start of the year, and each director may propose the addition of items not initially included on the agenda.

Complies Complies partially Explain

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should grant a proxy with instructions.

Complies Complies partially Explain

28. When directors or the secretary express concerns about any proposal or, in the case of directors, about the running of the company, and such concerns are not resolved at the board meeting, they should be recorded in the minutes book if the person expressing them so requests.

Complies Complies partially Explain Not applicable

29. The company should provide suitable channels for directors to obtain the advice they need to perform their functions, including, if necessary, external advice at the company's expense.

Complies Complies partially Explain

30. Regardless of the knowledge directors must possess to perform their functions, the companies should also offer them refresher programs when circumstances so advise.

Complies Explain Not applicable

31. The agenda of board meetings should clearly indicate the items on which the board must adopt a decision or resolution so that directors can study the matter or gather together the material they need beforehand.

For reasons of urgency, the chairman may wish to submit decisions or resolutions for board approval that were not included on the meeting agenda. In such exceptional circumstances, their inclusion will require the express

prior consent, duly recorded in the minutes, of the majority of directors present.

Complies Complies partially Explain

32. Directors should be regularly informed of movements in share ownership and of the views held by significant shareholders, investors and rating agencies on the company and its group.

Complies Complies partially Explain

33. The chairman, as the person responsible for the effective functioning of the board of directors, in addition to the functions attributed by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and items to be addressed; organize and coordinate the periodic evaluation of the board and, where appropriate, the company's chief executive officer; be responsible for the management of the board and for its effective functioning; ensure that sufficient time is given to the discussion of strategic matters, and approve and review refresher courses for each director, when circumstances so advise.

Complies Complies partially Explain

34. When a lead director has been appointed, the bylaws or board regulations should grant him or her the following powers, in addition to those conferred by law: to chair the board of directors in the absence of the chairman or deputy chairmen, if any; to voice the concerns of non-executive directors; to maintain contacts with investors and shareholders in order to ascertain their views and form an opinion about their concerns, especially those relating to the corporate governance of the company; and to coordinate the chairman's succession plan.

Complies Complies partially Explain Not applicable

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the applicable good governance recommendations contained in the Good Governance Code.

Complies Explain

36. The plenary session of the board should conduct an annual evaluation, adopting, where necessary, an action plan to correct any weakness detected with respect to:
- a) The quality and effective functioning of the board.
 - b) The functioning and composition of its committees.
 - c) Diversity in the composition and skills of the board.

d) The performance of the board chairman and the company's chief executive.

e) The performance and contribution of each director, paying particular attention to the chairs of the various board committees.

The evaluation of the various committees should be based on the reports sent by them to the board of directors, while the board evaluation should be based on the report sent to it by the nomination committee.

Every three years, the board of directors should engage an external consultant to assist with the evaluation process whose independence should be verified by the nomination committee.

Any business dealings that the consultant or any company in its group has with the company or any company in its group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies Complies partially Explain

37. When there is an executive committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies Complies partially Explain Not applicable

38. The board should be kept fully informed of the business transacted and decisions adopted by the executive committee and all board members should receive a copy of the committee's minutes.

Complies Complies partially Explain Not applicable

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.

Complies Complies partially Explain

40. Companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of the reporting and internal control systems and such unit should report to the board's non-executive chairman or the chairman of the audit committee.

Complies Complies partially Explain

41. The head of the unit handling the internal audit function should present an annual work program to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Complies Complies partially Explain Not applicable

42. The audit committee should have the following functions in addition to those provided for in the law:

1. With respect to internal control and reporting systems:

- a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular reports on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanisms should guarantee the confidentiality and, in any event, provide for cases in which reports may be made anonymously, respecting the rights of the whistleblower and the party being reported.
- d) In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With respect to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b) To ensure that the remuneration of the external auditor does not compromise its quality or independence.
- c) To ensure that the company notifies any change of external auditor to the CNMV, accompanied by a statement of any disagreements with the outgoing auditor and the substance of same.
- d) To ensure that the external auditor has an annual meeting with the plenary session of the board to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies Complies partially Explain

43. The audit committee should be empowered to meet with any company employee or executive, even ordering their appearance without the presence of another executive.

Complies Complies partially Explain

44. The audit committee should be informed of any structural or corporate modifications planned by the company, so the committee can analyze them and report to the board beforehand on their economic conditions and accounting impact and, in particular, where applicable, the proposed exchange ratio.

Complies Complies partially Explain Not applicable

45. The risk management and control policy should identify and determine at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, legal, social, environmental, political and reputational risks, included those related to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
- b) A risk control and management model based on different levels, of which a specialized risk committee will form part when industry regulations so provide or the company deems it appropriate.
- c) The risk level the company sees as acceptable.

- d) The measures in place to mitigate the impact of identified risk events should they occur.
- e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies Complies partially Explain

46. Under the direct supervision of the audit committee or, as the case may be, a dedicated board committee, companies should establish an internal risk management and control function, exercised by one of the company's internal departments or units that expressly has the following functions:

- a) Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) To ensure that risk management and control systems are mitigating risks effectively within the framework of the policy drawn up by the board of directors.

Complies Complies partially Explain

47. When appointing members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee, if created separately –, companies should procure that they have the adequate knowledge, skills and experience for the functions they are called on to perform and that the majority of such members are independent directors.

Complies Complies partially Explain

48. Large cap companies should have separate nomination and remuneration committees.

Complies Explain Not applicable

49. The nomination committee should consult the board chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Complies Complies partially Explain

50. The compensation committee should operate independently and have the following functions in addition to those conferred by law:
- a) To propose to the board the standard terms of senior executive contracts.
 - b) To monitor compliance with the remuneration policy set by the company.
 - c) To periodically review the remuneration policy for directors and senior executives, including share-based remuneration systems and their application, and ensure that their individual remuneration is proportionate to the amounts paid to other directors and senior executives of the company.
 - d) To ensure that conflicts of interest do not jeopardize the independence of any external advice provided to the committee.
 - e) To verify the information on director and senior executives' remuneration contained in the various corporate documents, including the annual report on directors' remuneration.

Complies Complies partially Explain

51. The remuneration committee should consult the company's chairman and chief executive, especially on matters relating to executive directors and senior executives.

Complies Complies partially Explain

52. The rules on composition and functioning of the supervision and control committees should be set out in the board regulations and be consistent with those applicable to the board committees required by law, in line with the preceding recommendations, including:

- a) The committees should be made up exclusively of non-executive directors, with a majority of independent directors.
- b) They should be chaired by independent directors.
- c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of the directors and each committee's mandate; discuss their proposals and reports; and the committees should report on their activities and the work performed at the first plenary session of the board following each committee meeting.
- d) The committees may seek external advice, when they feel it necessary for the performance of their functions.
- e) Minutes should be taken of the committee meetings and a copy made available to all board members.

Complies Complies partially Explain Not applicable

In the case of the Nomination and Remuneration Committee, it has been decided to reflect the contents of article 529 *quindecies* of the Capital Companies Law, which establishes that this committee will be made up of non-executive directors appointed by the board of directors, at least two of whom must be independent directors. However, the Committee's composition currently complies with this recommendation.

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialized in sustainability or corporate social responsibility, or another specialized committee established by the board under its powers of self-organization. And such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Complies Complies partially Explain

In accordance with the Company's current Audit and Compliance Committee Regulations, the Audit and Compliance Committee of DIA is tasked with supervising compliance with the corporate social responsibility policy approved by the Board, which, for internal purposes, is regarded as the environmental, social and governance policy, which is currently approved by both the Audit Committee and the Board of Directors. Consequently, the Company considers that, although it has not adapted its internal rules to reflect the exact contents and terms of this recommendation, it complies with its spirit in practice.

54. The minimum functions referred to in the previous recommendation are as follows:
- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.
 - b) Oversee the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, and regarding communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.
 - c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
 - d) Ensure the company's environmental and social practices are in accordance with the established strategy and policy.

- e) Monitor and evaluate the company's interaction with its stakeholder groups.

Complies Complies partially Explain

In accordance with the Company's current Audit and Compliance Committee Regulations, the Audit and Compliance Committee of DIA is tasked with supervising compliance with the corporate social responsibility policy approved by the Board, which, for internal purposes, is regarded as the environmental, social and governance policy, which is currently approved by both the Audit Committee and the Board of Directors. Consequently, the Company considers that, although it has not adapted its internal rules to reflect the exact contents and terms of this recommendation, it complies with its spirit in practice.

55. Environmental and social sustainability policies should identify and include at least:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.
- b) The methods or systems for monitoring compliance with policies, associated risks and their management.
- c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.
- d) Channels of communication, participation and dialog with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honor.

Complies Complies partially Explain

56. Director remuneration should be sufficient to attract and retain individuals with the desired profile and remunerate the time commitment, competencies and responsibility that the office demands, but not so high as to compromise the independent judgment of non-executive directors.

Complies Explain

57. Variable remuneration linked to company performance and the director's performance, as well as the award of shares, options or rights over shares or instruments linked to the share value and long-term savings schemes, such as pension plans, retirement systems or other employee welfare systems, should be confined to executive directors.

The company may consider the award of shares as remuneration for non-executive directors provided they retain such shares until the end of their

term of office. This condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Complies Complies partially Explain

58. In the case of variable awards, remuneration policies should include limits and specific technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector of activity or other similar circumstances.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies Complies partially Explain Not applicable

59. The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.

Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.

Complies Complies partially Explain Not applicable

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce the amount of such earnings.

Complies Complies partially Explain Not applicable

61. A significant percentage of the variable remuneration of executive directors should be linked to the award of shares or financial instruments linked to the share value.

Complies Complies partially Explain Not applicable

62. Following the award of shares, options or financial instruments corresponding to the remuneration systems, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favorable assessment of the nomination and remuneration committee to address an extraordinary situation.

Complies Complies partially Explain Not applicable

63. Contractual arrangements should include provisions that allow the company to reclaim variable compensation components when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies Complies partially Explain Not applicable

64. Payments for the termination or cancelation of the contract should not exceed an amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the criteria or conditions established for its receipt.

For the purposes of this recommendation, payments for contractual termination or cancelation include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously unconsolidated amounts for long-term savings systems and the amounts paid under post-contractual non-compete undertakings.

Complies Complies partially Explain Not applicable

Indicate whether any directors voted against or abstained from voting on the approval of this Report.

Yes No

H OTHER INFORMATION OF INTEREST

1. If there are any material aspects relating to corporate governance at the company or at group entities that have not been addressed elsewhere in this report and which are necessary to provide a more comprehensive and reasoned view of the corporate governance structure and practices at the company or group, provide a brief explanation.
2. You may include in this section any other information, clarification or qualification related to the previous sections of this report to the extent they are significant and not repetitive.

Specifically, indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include any information it is obliged to provide if different to that required in this report.

3. Also state whether the company voluntarily adheres to other codes of ethics or standard practices, at international, sectoral or any other level. If so, give details of the code and the date of adhesion. In particular, state whether the company has adhered to the Code of Good Tax Practices of July 20, 2010.

The Company adhered to the Code of Good Tax Practices of July 20, 2010 on September 3, 2019.
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This Annual Corporate Governance Report was approved by the Board of Directors of the Company in its meeting held on March 30, 2022.

Indicate whether any directors voted against or abstained from voting on the approval of this Report.

Yes No

Name or corporate name of director that did not vote in favor of approving this report	Reasons (voted against, abstention, did not attend)	Explain the reasons

Remarks

**Auditor´s report on the "Information Related to the System of
Internal Control Over Financial Reporting (ICFR)" of
DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.,
for the year 2021**

AUDITOR'S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report and information originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Board of Directors of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.:

In accordance with the request from the Board of Directors of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. (hereinafter the Entity) and our engagement letter dated February 23, 2022, we have performed certain procedures on the "ICFR related information" attached in Section F of the Annual Corporate Governance Report (ACGR) of Distribuidora Internacional de Alimentación, S.A., for 2021, which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity's internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2021 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).
2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.
3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.
4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.
5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.
6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signed on the original Spanish version)

José Luis Ruiz Expósito

April 8, 2022