



**ANNUAL REPORT ON REMUNERATION OF THE  
DIRECTORS OF LISTED CORPORATIONS**

**IDENTIFYING DATA OF ISSUER**

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Corporate Name:

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

Registered Office:

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

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

# ANNUAL REPORT ON REMUNERATIONS OF DIRECTORS OF LISTED CORPORATIONS

## A. COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR

A.1.1 Explain the Directors' remuneration policy in force for the current fiscal year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the Shareholders' Meeting, provided the inclusion thereof is clear, specific and exact.

A description should be provided of the specific determinations, for the current fiscal year, regarding the remuneration of the Directors both in their capacity as such and for the performance of executive functions, made by the Board of Directors in accordance with both the provisions of the contracts signed with the executive Directors and with the remuneration policy approved by the Shareholders' Meeting.

In any event, at minimum, the following aspects should be reported:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity.
- d) Procedures contemplated in the current Director remuneration policy to apply temporary exceptions to the policy, conditions on which such exceptions may be used and components that may be subject to exceptions according to the policy.

### **Directors' remuneration policy in force in the current fiscal year**

The Directors' remuneration policy of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. ("DIA" or the "Company") in force is the one approved by the Extraordinary Shareholders' Meeting held on 7 June 2022, with a favourable vote of 95.5632% of the share capital present and represented at said Shareholders' Meeting, and is applicable from the day of its approval by said General Meeting and during the three years following its approval, that is, during the fiscal years 2023, 2024 and 2025.

Law 5/2021, of 12 April, amending the revised Capital Companies Law and other financial provisions, with respect to promoting the long-term involvement of shareholders in listed companies, introduced a number of changes in relation to Directors' remuneration policies, regulating in greater detail the information to be included in the annual report on Directors' remuneration.

In this context, the current remuneration policy of DIA's Directors is in general terms, a continuation of the previous remuneration policy in which the news in the area of Director remuneration introduced by Law 5/2021 has also been taken into account.

The current remuneration policy complies with the remuneration plan established provided for in Articles 16 and 38 of the bylaws and complies with the provisions of Articles 529 septdecies, 529 octodecies and 529 novedecies of the LSC.

In accordance with the possibility established in Article 529 novedecies.1 of the Capital Companies Law, this new policy on DIA's Directors' remuneration (the "Policy"), which replaces the policy approved by the Shareholders' Meeting held on 30 August 2019, will apply from the same date of its approval by the Annual Shareholders' Meeting of 7 June 2022 and for the following three fiscal years, that is, until 31 December 2025.

The objective of this policy is to contribute to the business strategy and to the long-term interests and sustainability of the Company and is based, among others, on the principles of commitment and attraction and retention of talent, transparency, external and internal equity and fostering the creation of value for the Company and its shareholders in the long term.

Specifically, the Directors' remuneration system is designed in a manner that contributes to the fulfilment of the company's strategies and to the maximisation, on a sustained basis, of the Company's value and ensures that its amount does not condition their independence. For these purposes:

- The Directors' remuneration for their services as such is limited to the non-executive non-proprietary Directors and consists of a fixed allowance in cash and of deferred remuneration in shares under the Restricted Share Plan for Directors.
- The variable remuneration is only available to the executive Directors and is linked to the achievement of financial-economic and/or non-financial parameters aligned with the strategic objectives of the Company and the long-term creation of value, such that the elements for measuring that performance are not based solely on one-off, occasional or extraordinary events.
- Any variable remuneration paid will be subject to a clawback clause.

The criteria used to determine the remuneration policy are included in Article 38 of the Company's bylaws and Article 33 of the Board of Directors' Regulations, and they differ according to whether the Directors are executive or non-executive.

### **Specific determinations regarding the remuneration of the Directors both in their capacity as such and for the performance of executive functions**

In relation to the specific determinations for fiscal year 2022, both of the remuneration of the Directors for their status as such, as well as for the performance of executive functions, the Nomination and Remuneration Committee and the Board of Directors have applied the previous remuneration policy until 7 June 2022, date of approval by the General Meeting of the new remuneration policy of the Directors (hereinafter "The Remuneration Policy").

In this regard, pursuant to Article 38 of the corporate bylaws, the office of **Director, in the capacity of such**, is remunerated.

However, the remuneration policy establishes that only non-proprietary non-executive Directors will receive remuneration in their capacity as directors of the Company, which will consist of:

(i) A fixed allowance in cash, established by the Board of Directors, which may adapt the amount to be received by each Director according to the functions and responsibilities entrusted to each one, membership on Board of Directors' committees and any other objective circumstances that it considers pertinent.

The maximum annual amount of the fixed allowance for all Directors for their services as such is established by the Shareholders' Meeting as 1,350,000 euros.

The annual fixed allowance of non-executive non-proprietary Directors is initially established at the following amounts:

Annual basic remuneration:

a) Chairman of the Board of Directors: 250,000 euros gross.

b) Deputy Chairman of the Board of Directors: 200,000 euros gross.

c) Member of the Board of Directors: 100,000 euros gross.

Additional annual remuneration for membership on committees:

a) Committee Chairman: 50,000 euros gross.

b) Committee Member: 20,000 euros gross.

The Board of Directors may review the above amounts within the maximum limit established by the Shareholders' Meeting for the fixed allowance for all the Directors for their services as such.

(ii) Deferred remuneration in shares under the "Restricted Share Plan" for non-executive non-proprietary Directors, with the following principal conditions which are approved by the General Shareholders' Meeting:

a) Description: The Restricted Share Plan is a share-based remuneration plan that consists of granting to non-executive non-proprietary Directors of the Company a right to receive free of charge a certain number of common DIA shares at the end of the vesting period established for the purpose and provided that (without prejudice to any exceptions that apply) the Director has continued to hold their office for the entire vesting period.

b) Grant of rights under the Restricted Share Plan: Each non-executive non-proprietary Director may be granted a right to receive shares under the Restricted Share Plan on the occasion of their appointment, of each reappointment as Director of the Company or at the end of the vesting period of any prior right.

c) Vesting period: The vesting period will be for a term that will normally be similar to the Director's term of office in accordance with the Corporate Bylaws of the Company (currently two years), which may be counted from Annual Shareholders' Meeting to Annual Shareholders' Meeting (taking 31 May as the date of the Annual Shareholders' Meeting for these purposes),

although it will be possible to establish vesting periods with a longer term (by no more than 12 months) or shorter where necessary or advisable for the better management of the Restricted Share Plan (e.g., in cases of appointments or reappointments on dates other than that of the Annual Shareholders' Meeting).

d) Individual grant: Each right will refer to a number of shares equal to the result of multiplying the amount of €50,000 by the number of years of the term of the vesting period and dividing it by the reference price of the share, rounded to the closest unit. The reference price will, as a general rule, be the average closing price of the DIA share during the 15 trading sessions immediately preceding the reference date of the grant (which may be the effective date of the appointment or reappointment of the Director or the end of the vesting period of any prior right). The Board of Directors is authorised to adjust the number of shares allocated to each right in accordance with the application of the usual anti-dilution clauses.

e) Vesting: The right to receive the shares will accrue proportionally during the vesting period, but the right will not vest and the shares will not be delivered until the end of such period. If the Director vacates office before the end of the vesting period for a reason not attributable to a breach of their duties, the Board of Directors is authorised to vest the right to receive all or some of the shares allocated and bring forward the delivery of such shares to the moment of vacation of office, all the foregoing depending on the circumstances present.

f) Other obligations: Directors will be under the obligation to hold any delivered shares until they vacate office (although this rule will not apply to any shares that the Director needs to dispose of in order to pay the costs relating to their acquisition).

The Board of Directors is authorised, on the broadest terms, with express powers to subdelegate, to implement, develop, interpret, formalise, execute, operate and settle the Restricted Share Plan, adopting as many resolutions and signing as many public or private documents as may be necessary or advisable to give full effect to the Plan, with the authority as well to correct, rectify, amend or supplement the Plan.

To enable the implementation and operation of the Restricted Share Plan, the Shareholders' Meeting, in accordance with Article 219 of the Capital Companies Law, approved the allocation of 140,000,000 common shares of the Company with a par value of €0.01 each for the grant of rights under the Restricted Share Plan for the term of this Policy (i.e., until 31 December 2025). The Company may allocate to coverage of the Restricted Share Plan the shares that make up or that may make up its treasury stock from time to time or use other appropriate coverage systems.

This Policy does not contemplate the payment of fees for attendance at meetings of the Board of Directors or of the Board committees; however, Directors will be reimbursed for any duly justified expenses they may incur in performing their functions.

At the date of preparation of this report, the non-proprietary non-executive Directors are: Ms. Luisa Deplazes de Andrade Delgado, Mr. Marcelo Maia Tavares de Araujo, Mr. Vicente Trius Oliva, Ms. Gloria Hernández García and Mr. José Wahnnon Levy.

In relation to **executive directors**, the remuneration to be received by them for performing executive functions at the Company (which are therefore different from the functions related to their status as members of the Board, which is not remunerated) is structured as follows:

- (i) Fixed remuneration, determined considering the content of the executive functions assigned and the merits of the executive Director.
- (ii) Variable remuneration, the purpose of which is to reinforce their commitment to the Company and encourage the best performance of their functions, which may include:
  - Short-term variable remuneration (*annual* bonus), payable in cash and linked to the achievement of economic, financial and non-financial targets and, as the case may be, the fulfilment of personal targets.

A medium- and long-term variable remuneration, consisting of medium- and long-term incentive systems (*multi-year* bonuses, share or stock option plans, warrants on shares or referenced to the share price, or analogous systems) linked to Company performance in relation to certain economic and financial and/or non-financial parameters aligned with the Company's strategic objectives and long-term value creation, as well as to continued employment in the Company or the Group for a certain period of time and to the executive Director's performance. A portion of the variable remuneration of the executive Directors may have the consideration of minimum or guaranteed remuneration.

All of the variable remuneration received by the executive Directors will be subject to a clawback clause under which the Company may seek reimbursement of the variable components of the remuneration in certain cases such as, for example, where it comes to light that the variable remuneration was settled and paid in whole or in part on the basis of information that is subsequently and clearly shown to be seriously false or inaccurate.

The maximum annual aggregated amount of short-term fixed and variable remuneration of an executive Director will be 3,000,000 euros gross.

The maximum value of the medium- and long-term variable remuneration of an executive Director may not exceed 200% of their annual fixed remuneration multiplied by the number of years of reference of the medium- and long-term variable remuneration plan (normally three years).

- (iii) Some items of remuneration in kind, in order to offer a competitive and attractive remuneration package to the executive Directors. That remuneration in kind may consist of, without limitation: accommodation, life and accident insurance, health insurance, an annual medical check-up or a company car, in accordance with the Company's policies. In all cases, remuneration in kind shall not exceed 5% of the executive Director's annual fixed remuneration.

- (iv) Remuneration from the post-contractual noncompete undertaking: Where an executive Director's contract contains a post-contractual non-compete undertaking, their remuneration may include periodic fixed remuneration as consideration for such undertaking, which may not exceed the fixed remuneration corresponding to the noncompete period.
- (v) Severance for removal: payments for termination of the executive contract will not exceed an amount equal to two years of the executive Director's total annual remuneration.

The Board of Directors may periodically review the executive directors' pay package, within the framework of this Policy and subject to the above limits, considering, in particular, the executive's worth and merits, market conditions at peer companies and the fact that it can be borne the Company.

At the date of this report, the Company does not have any executive director.

By agreement of the Board of Directors dated 29 August 2022 adopted unanimously, Mr. Stephan Ducharme is accepted to resign from his position as CEO of the Company, continuing thereafter as non-executive Director and Chairman of the Board of Directors.

The following sections describe the characteristics of the remuneration system of the Directors of DIA, established in the remuneration policy in force on the date of preparation of this report.

#### **Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its conditions**

The bodies in charge of drafting the remuneration policy for the Company's Directors are the Board of Directors and the Nomination and Remuneration Committee, being, in accordance with Articles 16 and 38 of the DIA Bylaws and Article 529 novodecies 7.b) of the Capital Companies Law, the General Meeting of Shareholders has the power to approve:

- a) the remuneration policy of the Directors, in accordance with the provisions of the applicable legislation,
- b) the maximum amount of the remuneration to be paid by the Company to its Directors,
- c) establishing the Director remuneration systems consisting of the delivery of shares or rights over them or which are indexed to the share value, and
- d) the Company's annual report on Directors' remuneration, on a consultative basis, as a separate item on the agenda.

In accordance with Article 38 of the bylaws and Article 5 of the Board of Directors' Regulations, pursuant to Articles 249, 249 bis and 529 octodecies of the LSC, the Board of Directors is in charge of the following:

- a) Adopting decisions relating to the remuneration of Directors for their services as such and to establish the conditions of the contract for executive Directors, including their remuneration for the performance of executive duties, within the framework of the bylaws and the remuneration policy approved by the Shareholders' Meeting and in force from time to time.

b) Formulation of the Directors' remuneration report.

In addition, according to the provisions of Article 5.5.i) of the Board of Directors' Regulations, this body is competent to prepare the annual corporate governance report and the annual report on Directors' remuneration, and to submit it to the General Shareholders' Meeting.

Pursuant to Article 24.5 of the Company's Board of Directors' Regulations, the Nomination and Remuneration Committee has the following functions, among others:

a) Propose to the Board of Directors the remuneration policy for Directors and general managers or those who perform their senior management functions under the direct supervision of the Board of Directors or the Executive Chairman, as well as the individual remuneration and other contractual conditions of executive Directors, ensuring compliance therewith.

b) Monitor compliance with the remuneration policy set by the Company.

c) Periodically review the remuneration policy applied to directors and senior executives, including share-based remuneration schemes and their application, and check that their individual remuneration is proportionate to that paid to other Directors and senior executives of the Company.

d) Verify the information on Directors' and senior executives' remuneration contained in the various corporate documents, including the annual report on Directors' remuneration.

The Board of Directors' Regulations of DIA in Article 24.1 establish that the Nomination and Remuneration Committee is composed of a minimum of three and a maximum of five Directors, appointed by the Board of Directors itself from among its non-executive Directors, at least two of whom must be independent Directors.

At the date of preparation of this report, the composition of the Nomination and Remuneration Committee is as follows:

Chairwoman: Ms. Luisa Deplazes de Andrade Delgado (independent Director)

Members: Mr. Marcelo Maia Tavares de Araujo  
(other non-executive Director)

Mr. Vicente Trius Oliva  
(independent Director)

Mr. Daniel Alaminos Echarri, who holds the position of Non-Director Secretary of the Company's Board of Directors, acts as Secretary non-member of the meetings of the Nomination and Remuneration Committee, and Ms. Sagrario Fernández Barbé, who holds the position Non-Director Deputy Secretary of the Company's Board of Directors, acts as Deputy Secretary of the Committee.

The Board of Directors' Regulations state that the Nomination and Remuneration Committee shall hold a meeting as often as may be deemed necessary in the opinion of its Chairman, who shall call a meeting whenever a report must be issued or proposals must be adopted and, in all cases, whenever it may be necessary for the correct performance of its duties.

In 2022, the Nomination and Remuneration Committee held nine meetings and, on six other occasions, resolutions were adopted in writing and without a meeting. In fiscal year 2023 and until the date of preparation of this report, the Nomination and Remuneration Committee has met two times and has adopted resolutions in writing without holding a meeting on zero occasion.

Section B.1.1 of this report gives an account of the main decisions in relation to remuneration in fiscal year 2022 adopted by the Nomination and Remuneration Committee and by the Board of Directors, in accordance with the powers described above.

### **Comparable companies considered when establishing the Company's remuneration policy**

The aim of the remuneration policy is for the remuneration of the Company's Directors to comply with market trends and references in relation to remuneration in its sector of business, so that it is aligned, both quantitatively and qualitatively, with the best market practices followed by national and international companies whose activity is related to the production and distribution of consumer goods.

### **Information on whether any external advisor has participated and, if so, the identity thereof**

In general, all the proposals of the Nomination and Remuneration Committee have the internal advice of the Company and, where appropriate, that of external advisors when this is necessary or convenient due to the matter or item to be discussed.

### **Procedures contemplated in the current Directors remuneration policy to apply temporary exceptions to the policy, conditions on which such exceptions may be used and components that may be subject to exceptions according to the policy**

The Board of Directors, following a report from the Nomination and Remuneration Committee, may apply temporary exceptions to this Remuneration Policy which will, in all cases, be limited to exceptional situations in which not applying the Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability, and which may affect any of the components of the Directors' remuneration system.

These situations will include the appointment of Directors with executive functions, for whom specific conditions may be established with respect to the components of their remuneration provided for in section 3 of the Remuneration Policy.

The procedure to be followed should any circumstance arise that justifies applying such temporary exceptions will be as follows:

(i) The Nomination and Remuneration Committee will issue a report assessing the circumstances that would trigger the application of the exceptions and the affected remuneration that would be modified.

(ii) In preparing the report, the Nomination and Remuneration Committee may rely on the opinion of an external third party.

(iii) In view of the conclusions of the report, the Nomination and Remuneration Committee would, where appropriate, draw up the proposal for exceptional application which would be submitted to the Board of Directors for approval, where appropriate.

In any event, the Company will duly inform, in the annual report on remuneration, about the exceptional situation that has led the Board of Directors to approve the application of the temporary exception, as well as the component(s) subject to such exception.

A.1.2 Relative importance of variable remuneration items in relation to fixed remuneration (remuneration mix) and the criteria and targets taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the steps taken by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt it to the long-term goals, values and interests of the company, which will include, as the case may be, a mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest.

Furthermore, state whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or if any clause has been agreed that reduces the deferred remuneration not yet vested or that obliges the Director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

As established in the remuneration policy in force, only executive Directors have the possibility of receiving variable remuneration, thus complying with Recommendation no. 57 of the Code of good governance for listed companies.

The current remuneration policy establishes that the variable remuneration system of the executive Directors is intended to enhance their commitment to the Company and encourage the best performance of their functions. Said variable remuneration must be based on predetermined and measurable criteria that seek to assess the contribution of executive Directors, in the exercise of their executive duties, to the business objectives of the Company and the DIA Group, and may include two variable components: (i) a short-term variable remuneration component (*annual* bonus), and (ii) as appropriate, a medium- and long-term variable remuneration component (*multi-year* bonuses, share plans or options or warrants on shares or referenced to the value of the shares or similar systems) linked to the performance of the

Company in relation to certain economic-financial and/or non-financial parameters aligned with the strategic objectives of the Company and the creation of value long-term as well as permanence in the Company or the Group for a certain period of time and the performance of the executive Director.

As previously indicated, during 2022 and specifically until 29 August 2022, the only executive Director of the Company was the Executive Chairman, who did not receive any remuneration or financial benefit from the Company for the performance of their duties.

Since then and until the date of this report, the Company has no executive Director.

**A.1.3 Amount and nature of the fixed components which are expected to accrue in the fiscal year in favour of the Directors in their capacity as such.**

According to the remuneration policy in force, the maximum amount of the fixed remuneration payable to the Directors as a whole, in their capacity as such, is 1,350,000 euros. That amount is the one in force for fiscal year 2023 and shall remain in force until the General Shareholders' Meeting of DIA approves a new amount, as the case may be.

For fiscal year 2023, the fixed annual remuneration is set at the amounts specified in the remuneration policy in force, included in section A.1.1 above.

**A.1.4 Amount and nature of the fixed components which will accrue to the executive Directors in the fiscal year for the performance of senior management functions**

As noted above in section A.1.2, the company does not have any executive Directors.

**A.1.5 Amount and nature of any component remuneration in kind that will accrue in the fiscal year, including but not being limited to insurance premiums paid in favour of the Director**

The non-executive Directors do not receive any remuneration in kind.

**A.1.6 Amount and nature of variable components, making a distinction between those established on a short- and long-term basis. Financial and non-financial parameters, including in the latter social, environmental and climate change parameters, selected to determine the variable remuneration in the fiscal year in course; explanation of to what extent those parameters are related to the remuneration of both the Director and of the entity, and to its risk profile; the methodology, mandatory time period and techniques established to be able to determine, at the end of the fiscal year, the effective degree of achievement of the parameters applied in the design of the variable remuneration: explanation of applicable criteria and factors as regards the time required and the methods for verifying the achievement of performance or any other type of conditions to which the accrual and vesting of each variable remuneration component was linked.**

Indicate the range in monetary terms of the different variable components according to the degree of achievement of the objectives and parameters established, and whether there is any maximum monetary amount in absolute terms.

As indicated in the preceding sections, the remuneration policy only envisages variable remuneration for executive Directors, and it is linked to the fulfilment of some economic-financial and/or non-financial parameters aligned with certain strategic objectives of the Company and the creation of long-term value, such that if the objectives set for a certain period are not met, variable remuneration will not accrue.

However, as indicated above, at the date of this report the Company does not have any executive Director.

A.1.7 Main characteristics of the long-term savings plans. Among other information, state the contingencies covered by the system, whether it is a defined contribution or a defined benefit system, the annual contribution that has to be made to defined contribution systems, the benefits Directors are entitled to in the case of defined benefit systems, the conditions under which economic rights vest for Directors and their compatibility with any other type of payment or indemnification for early termination or dismissal of the director, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the Director.

State if the accrual or vesting of any of the long-term savings plans is linked to achieving certain targets or parameters related to the short- or long-term performance of the Director.

The remuneration policy in force does not envisage long-term savings systems.

A.1.8 Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the Director, whether at the company's or the Director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the Director to any kind of remuneration.

The non-executive Directors of DIA are not entitled to severance pay for termination of their appointments.

With regard to the executive Directors, although the current remuneration policy includes a severance and non-compete regime upon termination of the contract, at the date of this report the Company does not have any executive Director.

A.1.9 Indicate the conditions that must be respected in the contracts of those exercising senior management functions as executive Directors. Among other aspects, information will be provided on term, the limits on severance amounts, minimum-stay clauses, advance notice periods, as well as payment in lieu of such advance notice period, and any other clauses relating to hiring bonuses, as well as severance or indemnification for early termination or termination of the contractual relationship between the company and the executive Director. Include, among others, the pacts or agreements on non-competition, exclusivity, minimum stay and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

In addition to what is indicated in the previous sections regarding the economic regime applicable to executive Directors, the current Directors' Compensation Policy provides that the main terms and conditions of the contract of the

executive Directors of the Company, which, where appropriate, are appointed by the Board of Directors, will maintain as general criteria of application the following:

(i) Term: indefinite.

(ii) Exclusivity: they must provide their services on a full and exclusive basis to the Company and the DIA Group, unless they are members of certain Boards of Directors or obtain the Company's prior express consent.

(iii) Advance notice period: The executive contract may be terminated freely at any time by the Company, with no need for advance notice and with the severance consequences indicated below. For their part, executive Directors may freely terminate their executive contract and resign from their position at any time, with at least three months' advance notice (although a longer period may be agreed upon) and without the right to any severance, except as provided in the following (iv) paragraph.

(iv) Severance arrangement: The executive contract may establish that executive Directors are entitled to severance of up to two years of their total annual remuneration in the event of termination sought by the Company not due to a serious and repeated breach of their functions or sought by the executive director based on a serious and repeated breach by the Company of its obligations.

(v) Post-contractual noncompete undertaking: The executive contract may include a post-contractual noncompete undertaking (regardless of the ground for termination) that is remunerated for up to a maximum of 24 months.

(vi) Clawback clause: The Company may seek from the executive Director, in certain cases, reimbursement of the amounts of variable (short-, medium- and long-term) remuneration received.

In any case, the Board of Directors may periodically review the conditions of executive Directors' contracts and include any changes necessary, within the framework of this Policy and DIA's internal regulations.

The remuneration system for executive Directors described in this Policy will also apply to any new executive directors who join the Board of Directors during the term of the Policy, with the remuneration being adapted to the functions assigned, as well as to the responsibilities assumed and the professional experience of the Director in question. In this regard, the Board of Directors will establish, by means of a resolution, remuneration adapted to such characteristics in accordance with the parameters established in section 3.1 of the Remuneration Policy.

The main terms and conditions of the new executive Directors' contracts or any modifications to the terms and conditions established in the contracts with executive Directors will, in all cases, be disclosed in the annual report on Directors' remuneration for the fiscal year in which they occur.

#### A.1.10 The nature and estimated amount of any other supplementary remuneration that will be earned by the Directors in the current fiscal year in consideration for services provided other than those inherent to their post.

There is no supplementary remuneration for services provided to the Company other than it is indicated in the preceding sections.

A.1.11 Other remuneration items such as those derived, if any, from the provision by the company to the Directors of loan advances, loans and guarantees and other items.

There is no remuneration in the form of loan advances, loans and guarantees provided to the Directors.

A.1.12 The nature and estimated amount of any other supplementary remuneration not included in the preceding sections, whether paid by the entity or by another group entity, that will be earned by the Directors in the current fiscal year.

There is no remuneration to the members of DIA's Board of Directors other than the items indicated in preceding sections, whether paid by DIA or by another Group entity.

Notwithstanding the foregoing, it is hereby stated that:

- (i) During 2022, the non-Executive Chairman, Mr. Stephan DuCharme, and the proprietary Director, Mr. Sergio Antonio Ferreira Dias, have executive functions within the group whose parent company is Letterone Investment Holdings, S.A. (the "**Letterone Group**"), which holds 77.7% of the Company's share capital, so they receive remuneration from Letterone Group. This remuneration corresponds to functions that are not related to their status as non-Executive Chairman and proprietary Director of DIA, respectively.
- (ii) On the other hand, DIA has entered into an advisory and consultancy services agreement with the Letterone Group companies L1 Retail (UK) LLP and L1 Retail (Jersey) LLP, under which DIA pays certain fees to these companies. Mr. Sergio Antonio Ferreira Dias is part of the L1 Retail team that provides the aforementioned advisory and consultancy services, which are unrelated to his functions as an external director of DIA in his capacity as such. Notwithstanding the foregoing, Mr. Sergio Dias has informed the Company that on 1 April 2023 he will leave all his positions in the Letterone Group due to his retirement, so that this situation with regard to said director will only continue until the aforementioned date of 1 April 2023.
- (iii) Mr. Marcelo Maia, in his capacity as former executive of the Company and for the concept of rights recognised under the long-term incentive plan of Directors (LTI 2020-2022), has accrued during 2022 the amount of 226,000 euros, that together with the amount accrued in 2021 for the amount of 92,000 euros make a cumulative total of 318,000 euros that are expected to be paid during the month of April 2023, in accordance with the approval of the Board of Directors after a favourable report from the Nomination and Remuneration Commission.

A.2 Explain any relevant change in the remuneration policy applicable in the current fiscal year, derived from:

- a) A new policy or an amendment of the policy already approved by the Shareholders' Meeting.

- b) Relevant changes in the specific determinations established by the Board for the current fiscal year in the remuneration policy in force, with respect to the policy applied in the preceding year.
- c) Proposals which the Board has resolved to present to the shareholders' meeting to which this annual report will be submitted and which the Board proposes applying in the current fiscal year.

The General Meeting of Shareholders of the Company held on 7 June 2022 approved a new remuneration policy of the Directors of the Company, as a result of the termination of the validity of the previous policy. This new policy will apply from the date of its approval and during the following three fiscal years, that is, until 31 December 2025.

In accordance with the provisions of Article 529 [section nineteen] of the Capital Companies Act (in the wording introduced by Law 5/2021), the main changes introduced in the new policy with respect to the previous one are the inclusion of specific references, in an adequate and sufficient manner to:

- (i) The contribution thereof to the business strategy.
- (ii) The Policy's relationship with the conditions of the company's employees.
- (iii) The process for determining, reviewing and applying the Policy.
- (iv) The temporary exceptions to the application of the Policy.

As of the date of this report, there are no proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted.

- A.3 Indicate the direct link to the document which contains the current remuneration policy, which should be available on the company's web page.

<https://diacorporate.com/wp-content/uploads/2022/06/Politica-Remuneracion-Consejeros-DIA-2022.pdf>

- A.4 Explain, taking into account the data provided in section B.4, how the vote of the shareholders at the general shareholders' meeting to which the annual remuneration report of the previous year was submitted to advisory vote, has been taken into account.

The annual report on Directors' remuneration for 2021 was approved, on an advisory basis, by the Annual Shareholders' Meeting of 2022, with the favourable vote of 97.3227% of the total votes cast in favour, against, and abstentions, on the terms set forth in section B.4. Bearing in mind the shareholders' vote on that report for fiscal year 2021, the current remuneration policy maintains the same principles, bases and criteria set forth in the annual report on remuneration for fiscal year 2022, and the new remuneration policy that will be submitted for approval by the General Shareholders' Meeting of 7 June 2021 is expected to be a continuation of the previous one, in general terms.

## **B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE YEAR CLOSED**

B.1.1 Explain the process followed to apply the remuneration policy and to determine the individual remuneration reflected in section C herein. This information will include the role performed by the remuneration committee, the decisions made by the Board and, as appropriate, the identity and role of external advisors whose services have been used in the process of applying the remuneration policy in the last fiscal year closed.

In fiscal year 2022, the remuneration policy approved by the Extraordinary General Shareholders' Meeting held on 30 August 2019, has been applied until 7 June 2022 in which the General Shareholders' Meeting of the Company approved the new remuneration policy of Directors in force at the date of this report.

In relation to the procedures followed in 2022 by the Nomination and Remuneration Committee and the Board of Directors to supervise the application of the aforementioned remuneration policy in force in 2022, there follows a list of the main decisions adopted by them, in the performance of their functions, in relation to Directors' remuneration:

- a) Settlement of assets and remuneration in shares of the independent Directors, Mr. Jaime García-Legaz Ponce and Ms. Basola Vallés Cerezueta at the end of their term in office.
- b) Acknowledgment of the deferred remuneration in shares of the new non-executive Directors.
- c) Approval of the annual report on Directors' remuneration for fiscal year 2021.
- d) Agreement to submit to the approval of the General Shareholders' Meeting the new remuneration policy of the Directors as a result of the end of the three-year term of the previous policy approved by the Board on 30 August 2019.

B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There were no deviations from the procedure established for the application of the remuneration policy in fiscal year 2022.

B.1.3 Indicate whether any temporary exception to the remuneration policy has been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each Director over the year.

There were no temporary exceptions to the remuneration policy in fiscal year 2022.

B.2 Explain the different actions taken by the company in relation to the remuneration plan and how they have contributed to reducing exposure to excessive risk and adjusting it to the company's long-term objectives, values and interests, including a reference to the measures taken to ensure that the remuneration accrued takes into account the company's long-term results and an appropriate balance between fixed and variable components of remuneration, what measures have been taken in relation to the categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

The different actions which the Company may take in order to (i) reduce exposure to excessive risk, (ii) adjust the remuneration to the Company's long-term interests, and (iii) reach a balance between the fixed and variable components of directors' remuneration, are described in section A.1.2 of this report on the remuneration policy.

In particular, in fiscal year 2022, measures were adopted to ensure that the remuneration accrued was aligned with the Company's long-term results.

- According to the remuneration policy in force, the remuneration of the Directors in their capacity as such consisted of a fixed allowance that is paid fully in cash and is confined to the non-proprietary non-executive Directors.
- Pursuant to the executive contract of Mr. DuCharme, in force during 2022 until 29 August 2022, he has not received any remuneration or financial gain from the Company for performing his executive functions, nor is he entitled to any severance for termination from those functions, regardless of the grounds for termination.

The two director remuneration policies in force during 2022 contemplate a deferred remuneration in shares for non-proprietary non-executive Directors through an allocation of shares for each period of three/two years (corresponding to the duration of the terms of office of the DIA Directors respectively in the previous policy and in the current one) equivalent to the amount of 50,000 euros per year of mandate at the time of appointment. The right to receive the shares accrues proportionally over the period of the

mandate, but the shares shall not be delivered until the end of that period (or upon termination of the Director for a reason not attributable to them, if sooner). The Board of Directors has the authority to bring forward the right to receive the shares in order to be able to deliver the total number of shares initially allocated to the Director at the time of their termination. Directors must hold the delivered shares until their termination (although this rule will not apply to any shares that the Director needs to dispose of in order to pay the costs relating to their acquisition).

As established in the remuneration policy in force, the number of shares allocated could be adjusted by application of the habitual anti-dilution clauses. In 2022, the General Shareholders' Meeting held on 7 June 2022 approved the application of the aforementioned anti-dilution clause to the allocation of shares of non-proprietary non-executive Directors Mr. Jaime García-Legaz Ponce, Mr. Marcelo Maia Tavares de Araujo, Ms. Basola Vallés Cerezuela and Mr. José Wahnón Levy, as previously approved by the Board of Directors, following a favourable report from the Nomination and Remuneration Commission in 2021, since, having exhausted the balance of shares approved by the General Shareholders' Meeting of 30 August 2019 to address the deferred remuneration in shares of the Directors of the Company, the effective allocation of such additional shares was at that time pending the increase of the aforementioned balance in the necessary amount, by the Annual General Meeting that was finally authorised by the Annual General Meeting of Shareholders of 7 June 2022.

Likewise, at said Annual General Meeting of 7 June 2022, for the same reason indicated in the previous paragraph (since the balance of shares approved by the previous meeting has been exhausted), the effective assignment of the shares to Mr. Vicente Trius Oliva and Ms. Luisa Deplazes de Andrade Delgado was approved, which, at the date of her appointment in 2021, had been pending to be effective with the increase of the aforementioned balance by the next General Shareholders' Meeting.

On the other hand, at the Annual General Meeting of Shareholders of 7 June 2022, Ms. Gloria Hernández García was appointed, proceeding on the occasion of her appointment to assign the corresponding shares as deferred remuneration in shares with the aforementioned reference date.

As a consequence of the foregoing, the detail of the allocation of shares granted in 2022 as deferred remuneration in shares of the non-proprietary non-executive directors is the following:

Director	Reference grant date	Vesting date	Total <sup>1</sup> shares allocated	Previous shares	Additional shares
Luisa Deplazes de Andrade Delgado	01/11/2021	01/11/2024	9.615.385	-	9.615.385
Jaime García-Legaz Ponce	30/08/2019	30/08/2022	2.292.420	1.034.864	1.257.556
Marcelo Maia Tavares de Araujo	01/01/2021	01/01/2024	2.823.098	1.274.427	1.548.671
Vicente Trius Oliva	29/09/2021	29/09/2024	8.720.930	-	8.720.930
Basola Vallés Cerezueta	14/01/2020	14/01/2023	3.073.806	1.387.604	1.686.202
José Wahnnon Levy	30/08/2019	30/08/2022	2.292.420	1.034.864	1.257.556
<b>Total</b>			<b>28.818.059</b>	<b>4.731.759</b>	<b>24.086.300</b>

The “Total shares” column reflects the total number of shares allocated to each of the non-executive non-proprietary Directors on the reference date of the corresponding grant of the right and as a result of the application by the Board of Directors of the anti-dilution clause (as appropriate in each case) as a result of (i) the capital reduction and increase approved by the Shareholders’ Meeting held on 22 October 2019; and (ii) the capital increase approved by the Shareholders’ Meeting held on 31 May 2021.

Of the “Total shares”, those reflected in the “Previous shares” column have been allocated on a firm basis out of the balance of shares authorised by the Annual Shareholders’ Meeting that approved the prior Directors’ remuneration policy of 30 August 2019, and those reflected in the “Additional shares” column have been allocated subject to the approval of this Policy and the corresponding authorisation for the allocation of such shares by the Annual Shareholders’ Meeting of 7 June 2022.

By virtue of this, with the approval of the new Policy by the Shareholders’ Meeting of the Company, the Shareholders’ Meeting approves the allocation of the above-mentioned additional pending 24,086,300 shares of the Company with a par value of €0.01 each in relation to the non-executive non-proprietary Directors’ existing rights to deferred remuneration in shares, on the terms of the preceding table.

On the other hand, in relation to the following removals of Directors before the end of the consolidation period, the Annual General Shareholders’ Meeting of 2022 approves the following actions of the Board of Directors:

(i) With respect to the vacation of office by Mr. Jaime García-Legaz Ponce as Director at the 2022 Annual General Shareholders’ Meeting as a result of his desire that his office not be subject to reappointment after having fully completed his three-year term, the Board of Directors resolved to vest his right to receive all the shares allocated (specifically, 2,292,420 common shares of the Company with a par value of €0.01 each) and to bring forward the delivery thereof to the date of such Shareholders’ Meeting.

Consequently, on 24 June 2022, Mr. Jaime García-Legaz Ponce, received 1,730,777 shares for a value in euros of €24,058 (net amount to be received out of the total of 2,292,420 allocated, once the corresponding tax withholdings have been applied).

(ii) With respect to the resignation of Ms. Basola Vallés Cerezuela effective on 18 April 2022 as a result of professional incompatibilities, the Board of Directors resolved to vest her right to receive the proportion of the shares allocated up to the date of her resignation (i.e., 2,313,768 common shares of the Company with a par value of €0.01 each) and to bring forward the delivery of such shares to the date of the 2022 Annual General Shareholders' Meeting.

As a result of the foregoing, on 19 July 2022, Ms. Basola Vallés Cerezuela received 1,746,894 shares (net amount to receive of the total of 2,313,768 allocated, once the corresponding tax withholdings have been applied).

Finally, in relation to Mr. José Wahnnon Levy and given the full fulfilment of his first three-year mandate as Director, dated 30 August 2022, in accordance with the agreement adopted at the time by the Board of Directors and in accordance with the applicable remuneration policy, he received 1,730,777 shares (net amount to receive of the total 2,292,420 allocated, once the corresponding tax withholdings have been applied).

Regarding the measures adopted to avoid conflicts of interest, the Board of Directors, at its meeting held on 27 October 2021, approved a new DIA Group Policy on the management of conflicts of interest and related-party transactions that has remained in force during 2022. This Policy is posted on the corporate website [www.diacorporate.com](http://www.diacorporate.com) – Corporate Governance – Corporate Policies.

**B.3 Explain how the remuneration accrued and vested over the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.**

Also inform on the relationship between the remuneration obtained by the Directors and the results or other measurements of performance at the entity, on the short and long term, explaining how the variation in the company's results may have affected the variation in the remuneration of Directors, including the remuneration accrued and deferred, and how this remuneration contributes to the company's results on the short and long term.

**1. The remuneration accrued over the year complies with the provisions of the current remuneration policy and contributes to the Company's long-term and sustainable performance**

The remuneration accrued and vested by the Directors of the Company during fiscal year 2022 complies with the provisions of the two remuneration policies that have been in force during 2022, without any remuneration not stipulated in that policy having accrued or been paid.

In this regard, the remuneration accrued and consolidated in 2022 by the non-executive non-proprietary Directors of the Company in 2022, which is detailed in section B.5 below, in application of the remuneration policy in force in said year, has consisted of:

- The fixed allocation in cash established in the Remuneration Policy applicable in 2022, which meets the maximum limit established in that policy for such allocation (i.e. 1,350,000 euros).
- The delivery of DIA shares derived from the deferred remuneration granted to non-executive non-proprietary Directors

Ms. Basola Vallés Cerezuela, Mr. Jaime García-Legaz Ponce and Mr. José Wahnón Levy, with respect to their first term, as established in the Compensation Policy applicable as the consolidation of their rights has occurred for different reasons as detailed in section B.2. above. For all other external Directors, including Mr. José Wahnón Levy as a result of his re-election as a Director, the delivery of DIA shares derived from the deferred remuneration will not occur until the end of his term or at the time of his termination as a Director, if this time is before and for a reason not attributable to him, for which reason no amount has been consolidated for said item in the 2022 fiscal year.

- Given that the Executive Chairman did not receive any remuneration from the Company for the performance of their executive functions, in accordance with the provisions of their contract, no remuneration has been accrued or vested in 2022 for them in terms of said condition.

**2. Relationship between the remuneration obtained by directors and the results or other measurements of performance, short- and long-term, at the company, explaining, as the case may be, how variations in the company’s results may have influenced the variation in Directors’ remuneration**

Although the Executive Chairman, according to the provisions of their contract, has not received any remuneration from the Company for performing their executive functions and that as of the date of this report there are no executive Directors in the Company, as stated previously, the current remuneration policy establishes the possibility for executive Directors to receive two components of variable remuneration: (i) short-term variable remuneration, payable in cash and linked to the achievement of economic, financial and non-financial targets and, as the case may be, the fulfilment of personal targets, and (ii) medium- and long-term variable remuneration, linked to Company performance in relation to certain economic and financial and/or non-financial parameters aligned with the Company’s strategic objectives and long-term value creation, as well as permanence in the Company or the group for a certain period of time and performance as executive Director.

**B.4 Report on the result of the consultative vote at the General Shareholders’ Meeting on the annual report on Director’s remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:**

	Number	% of total
Votes cast	48,895,543,760	84.20

**B.5 Explain how the fixed components accrued and vested during the fiscal year by the Directors in their capacity as such were determined, their relative proportion with regard to each Director and how they have varied with respect to the previous year.**

The fixed remuneration accrued by DIA Directors in their capacity as such in 2022 is described below.

<b>Director</b>	<b>Annual basic remuneration (€)</b>	<b>Additional annual remuneration for membership on committees (€)</b>
Mr. José Wahnnon Levy	100,000.00	50,000.00
Mr. Jaime García-Legaz	43,287.67	8,657.53
Ms. Basola Vallés Cerezueta	29,589.04	5,917.81
Mr. Marcelo Maia	100,000.00	20,000.00
Mr. Vicente Trius	100,000.00	20,000.00
Ms. Luisa Deplazes de Andrade Delgado	100,000.00	50,000.00
Ms. Gloria Hernández García	56,986.30	11,397.26
<b>Total</b>	<b>529,863.01</b>	<b>165,972.60</b>
<b>Total fixed allowance in cash</b>		<b>695,835.62</b>

Regarding the figures shown, both the basic remuneration and the additional remuneration for committee membership refer to the amounts earned in proportion to the length of the term as non-proprietary non-executive Directors and member of the different Board of Directors' committees in fiscal year 2022, in accordance with the amounts set annually in the remuneration policy in force that has not changed with respect to the previous remuneration policy that was also in force in 2022 until the approval of the new one by the Shareholders' Meeting on 7 June 2022:

- Basic annual remuneration for membership on the Board of Directors 100,000 euros gross.
- Additional remuneration as Chairman of a Committee: 50,000 euros gross.
- Additional remuneration as member of a Committee: 20,000 euros gross.

According to the above, the total amount earned by the Directors, in their capacity as such, in 2022 amounts to 695,835.62 euros.

In fiscal year 2021, the total remuneration earned by the Directors, in their capacity as such, was 620,191.78 euros. Thus, the total amount of remuneration earned by the Directors, in their capacity as such, in 2022 entails an increase of 75,643.84 euros with respect to that earned in 2021.

The difference in the remuneration of the Directors, in their capacity as such, between fiscal years 2022 and 2021 is mainly due to the increase in the number of non-executive Directors belonging to the Board of Directors, which takes place in 2022 with the appointment of Ms. Gloria Hernández García.

Furthermore, regarding the relative proportion of remuneration of each Director, in their capacity as such, out of their total remuneration in fiscal year 2022, it is the following:

<b>Director</b>	<b>Annual fixed remuneration (€)</b>	<b>Relative proportion out of total remuneration (%)</b>
Mr. José Wahnnon Levy	150,000.00	22%
Mr. Jaime García-Legaz	51,945.20	7%
Ms. Basola Vallés Cerezueta	35,506.85	5%
Mr. Marcelo Maia	120,000.00	17%
Mr. Vicente Trius	120,000.00	17%
Ms. Luisa Deplazes de Andrade Delgado	150,000.00	22%
Ms. Gloria Hernández García	68,383.56	10%
<b>Total</b>	<b>695,835.61</b>	<b>100%</b>

As a result of the termination of the Directors Mr. Jaime García-Legaz Ponce and Ms. Basola Vallés Cerezueta, 4,606,188 shares were consolidated in favour of them.

- B.6 Explain how the salaries accrued and vested, during the last fiscal year closed, by each of the executive Directors in their capacity as such, for the performance of management functions, have been determined and how they have varied with respect to the preceding year.

Mr. DuCharme, the Company's sole executive Director until 29 August 2022, has not received any remuneration from the Company for performing his executive functions in fiscal year 2022 or during fiscal year 2021, in accordance with the provisions of his contract.

- B.7 Explain the nature and main characteristics of the variable components of the remuneration accrued and vested in the closed fiscal year.

In particular:

- a) Identify each one of the remuneration plans that have determined the different variable remuneration items earned by each of the Directors during the last fiscal year closed, including information on their scope, date of approval, date of implementation, conditions in case of vesting, accrual periods and validity; criteria used to evaluate performance and how that has affected the setting of the variable amount accrued; the measurement criteria used and the mandatory time period in order to adequately measure all the conditions and criteria stipulated, explaining

in detail the criteria and factors applied as regards the time required and methods to verify the fulfilment of the performance or any other type of conditions to which the accrual and vesting of each variable remuneration component is linked.

- b) In the case of stock option plans or other financial instruments, the general characteristics of each plan will include information on the conditions both to acquire their unconditional ownership (vesting) and to be able to exercise those options or financial instruments, including the exercise price and period.
- c) Each of the Directors and their category (executive Directors, proprietary non-executive Directors, independent non-executive Directors or other non-executive Directors), who are beneficiaries of remuneration plans that include variable remuneration.
- d) As applicable, information on the established periods of accrual, vesting or deferral of the payment of vested amounts that have been applied and/or periods of maintenance/non-disposal of shares or other financial instruments, if any.

As indicated in section B.3 above, the Executive Chairman of DIA, who was the sole executive Director in fiscal year 2022 (until 29 August 2022), has not received any variable remuneration for the performance of their executive functions, in accordance with the provisions of their contract.

- B.8 Indicate whether certain variable components accrued have been reduced or a reimbursement claimed where, in the first case, the payment of non-vested amounts has been deferred or, in the second case, they have vested and been paid, based on data that has subsequently been shown to be clearly inaccurate. Describe the amounts reduced or reimbursed by application of the reduction (*malus*) or reimbursement (*clawback*) clauses, why they have been executed and the fiscal years to which they relate.

In relation to the claim of the remunerations paid to the executive Directors terminated in 2018, the details of which were included in the annual report on Directors' remuneration of fiscal year 2019, a judgment was issued in fiscal year 2021, according to which Mr. Currás had to pay to DIA the following amounts:

- 275,232 euros, relating to the annual variable remuneration of fiscal years 2015 and 2016.
- 1,951,500 euros, relating to the severance payment for termination and to the indemnity received for failure to give advance notice.

Those amounts were paid to DIA in January 2022.

That judgment was wholly revoked by the Madrid Provincial Appellate Court in a judgment dated 25 February 2022, whereby: (i) the claim filed by Mr. Currás against DIA was fully upheld, ordering the latter to pay 505,500 euros as compensation for the post-contractual non-compete undertaking and 61,726 euros as Directors' remuneration, plus the legal interest since the filing of the appeal, with imposition on DIA of the court costs, and (ii) DIA's counterclaim was wholly rejected, with the imposition on it of the costs incurred by the other

party. Additionally, DIA was ordered to pay the costs incurred by Mr. Currás due to DIA's appeal.

Against the aforementioned judgement of the Madrid Provincial Appellate Court, DIA has filed an extraordinary appeal in 2022 for procedural infringement and/or cassation that as of the date of this report is still pending admission.

- B.9 Explain the main characteristics of the long-term savings plans for which the annual amount or equivalent cost appears in the tables of Section C, including retirement and any other survival benefit, which are financed, in part or in full, by the company, whether provided internally or externally, indicating the type of plan, whether it is for defined contributions or benefits, the contingencies covered by it, the conditions on which economic rights vest in favour of the Directors and their compatibility with any other kind of indemnity for early termination or for termination of the contractual relationship between the company and the Director.

The Company has no long-term savings plans for of its Directors.

- B.10 Explain any indemnities or other types of payments derived from early termination, whether due to removal by the company or resignation by the Director, or from termination of the contract on the terms established in it, accrued and/or received by the Directors in the last fiscal year closed.

Not applicable. During the last fiscal year closed, no Director has received indemnities or any other type of payment derived from the early termination or the termination of their contract.

- B.11 Indicate whether there have been significant changes in the contracts of those who perform senior management functions as executive Directors and, if so, explain them. Also, explain the main conditions of the new contracts signed with executive Directors during the fiscal year, unless they have already been explained in section A.1.

During 2022, there have been no significant modifications to the Executive Chairman's contract, indicating in section A.1.9 above the main conditions of their contract that were in force until 29 August 2022, in which they ended as a result of their resignation as executive.

- B.12 Explain any supplementary remuneration accrued by Directors as consideration for services provided other than those inherent in their office.

No additional remuneration has been earned by the Directors for the provision of services other than those inherent in their post.

- B.13 Indicate any remuneration derived from the grant of advances, loans and guarantees, stating the interest rate, their essential features and any amounts subsequently repaid, together with the obligations assumed on their behalf under guarantees.

There are no grants of advances, loans or guarantees by the Company to its Directors.

- B.14 Detail the remuneration in kind earned by the Directors during the fiscal year, briefly explaining the nature of the different salary components.

There is no remuneration in kind provided by the Company to its Directors.

- B.15 Indicate the remuneration earned by the Director by virtue of the payments made by the listed company to a third-party entity at which the Director provides their services, where the purpose of such payments is to remunerate the Director's services at the company.

Not applicable.

Notwithstanding the foregoing, it is placed on record that the non-Executive Chairman, Mr. Stephan DuCharme, and the proprietary Director, Mr. Sergio Antonio Ferreira Dias, performed executive functions in 2022 within the Letterone Group, which holds 77.7% of the Company's share capital, so they receive remuneration from Letterone Group. This remuneration is for functions that are not related to their status as non-Executive Chairman and proprietary Director of DIA, respectively.

On the other hand, DIA has entered into an advisory and consultancy services agreement with the Letterone Group companies L1 Retail (UK) LLP and L1 Retail (Jersey) LLP, under which DIA pays certain fees to these companies. Mr. Sergio Antonio Ferreira Dias is part of the L1 Retail team that provides the aforementioned advisory and consultancy services, which are unrelated to his functions as an external director of DIA in his capacity as such. Notwithstanding the foregoing, Mr. Sergio Dias has informed the Company that on 1 April 2023 he will leave all his positions in the Letterone Group due to his retirement, so that this situation with regard to said director will only continue until the aforementioned date of 1 April 2023.

- B.16 Explain and detail the amounts accrued in the year in relation to any other remuneration item other than those set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it may be considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the Director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, as applicable, not to constitute Director remuneration in their capacity as such or in consideration for the performance of their executive functions, and whether or not it has been considered appropriate to be included among the amounts accrued under the "Other items" heading in Section C.

The Directors have not earned any remuneration items in addition to those already described in this report.

### C. DETAIL OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type of Director	2022 accrual period
MR. STEPHAN DUCHARME	Proprietary Chairman	From 01/01/2022 through 12/31/2022
MR. SERGIO ANTONIO FERREIRA DIAS	Proprietary Director	From 01/01/2022 through 12/31/2022
MR. JOSÉ WAHNON LEVY	Independent Director	From 01/01/2022 through 12/31/2022
MR. MARCELO MAIA TAVARES DE ARAUJO	Other non-executive Director	From 01/01/2022 through 12/31/2022
MS. LUISA DEPLAZES DE ANDRADE DELGADO	Independent Director	From 01/01/2022 through 12/31/2022
MR. VICENTE TRIUS OLIVA	Independent Director	From 01/01/2022 through 12/31/2022
MS. GLORIA HERNANDEZ GARCIA	Independent Director	From 06/07/2022 through 12/31/2022
MS. BASOLA VALLÉS CEREZUELA	Independent Director	From 01/01/2022 through 04/18/2022
MR. JAIME GARCÍA-LEGAZ PONCE	Independent Director	From 01/01/2022 through 06/07/2022

**C.1 Complete the following tables on the individual remuneration of each Director (including remuneration for executive functions) earned during the fiscal year.**

**a) Remuneration earned at the company to which this report relates:**

i) Remuneration earned in cash (€k)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on Board committees	Deferred compensation in shares	Salary	Short-term variable compensation	Long-term variable remuneration	Severance pay	Other items	Total fiscal year 2022	Total fiscal year 2021
Mr. Stephan DuCharme											
Mr. Sergio Dias											
Mr. José Wahnnon Levy	100		50							150	150
Mr. Marcelo Maia Tavares de Araujo	100		20							120	112
Ms. Luisa Deplazes de Andrade Delgado	100		50							150	25
Mr. Vicente Trius Oliva	100		20							120	26
Ms. Gloria Hernández García	57		11							68	0
Ms. Basola Vallés Cerezuela	30		6							36	120
Mr. Jaime García-Legaz Ponce	43		9							52	166

Remarks
<p>The table shows the sum of remuneration earned in fiscal year 2022 by the Directors that had that status in fiscal year 2022, both in their capacity as such and in the performance of any executive functions, bearing in mind their period of provision of services as Directors at the Company.</p> <p>The amount indicated in the FIXED REMUNERATION column is the basic remuneration earned by the non-proprietary non-executive Directors, as indicated in section B.5.</p> <p>The amount indicated in the REMUNERATION FOR MEMBERSHIP ON BOARD COMMITTEES column is the additional remuneration earned by the non-proprietary non-executive Directors for belonging to Board committees, as indicated in section B.5.</p>

ii) Table of movements of share-based remuneration systems and gross profit on vested shares or financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year 2022		Financial instruments granted during the fiscal year 2022		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent /vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. Stephan DuCharme	NA							0,00				
Mr. Sergio Antonio Ferreira Dias	NA							0,00				
Mr. José Wahnnon Levy	Deferred remuneration in shares	2,292,420	2,292,420	6,340,580	6,340,580	2,292,420	2,292,420	0,01	31		6,340,580	6,340,580
Mr. Marcelo Maia Tavares de Araujo		2,823,098	2,823,098					0,00			2,823,098	2,823,098
Ms. Luisa Deplazes de Andrade Delgado		9,615,385	9,615,385					0,00			9,615,385	9,615,385
Mr. Vicente Trius Oliva		2,034,884	2,034,884	6,686,046	6,686,046			0,00			8,720,930	8,720,930
Ms. Gloria Hernández García				7,462,687	7,462,687			0,00			7,462,687	7,462,687
Ms. Basola Vallés Cerezuela		3,073,806	3,073,806			2,313,768	2,313,768	0,01	29		0	0
Mr. Jaime García-Legaz Ponce		2,292,420	2,292,420			2,292,420	2,292,420	0,01	32		0	0

Remarks
<p>The FINANCIAL INSTRUMENTS AT THE START OF FISCAL YEAR 2022 column includes the number of shares that the non-proprietary non-executive Directors had granted to them and not vested, as deferred remuneration in shares, due to their appointment in fiscal years 2019 and 2021.</p> <p>The FINANCIAL INSTRUMENTS GRANTED DURING FISCAL YEAR 2022 column includes the number of shares assigned to the non-proprietary non-executive Directors as deferred remuneration in shares, due to their appointment in fiscal years 2021 and 2022.</p> <p>The FINANCIAL INSTRUMENTS AT THE END OF FISCAL YEAR 2022 column includes the number of shares which the non-proprietary non-executive Directors have assigned to them as deferred remuneration in shares which will not vest until the end of the corresponding term of office has been concluded (two or three years, as appropriate). With regards to Ms. Basola Vallés Cerezueta, she does not consolidate all of the shares assigned since she ceased in her position as a director before the full fulfilment of her mandate and, therefore, only consolidates the proportional part to the fulfilment thereof, thus not accruing the right over 760,038 shares</p>

iii) Long-term savings systems

Not applicable. During fiscal year 2022, DIA has not made any contributions to long-term savings plans of which its Directors are beneficiaries.

iv) Detail of other items

Name	Concept	Remuneration Amount
Mr. Stephan DuCharme		
Mr. Sergio Dias		
Mr. José Wahnnon Levy		
Mr. Marcelo Maia Tavares de Araujo	Vesting of long-term incentive plan rights 20-22 as a former executive (Dia Brazil CEO in 2020)	226
Ms. Luisa Deplazes de Andrade Delgado		
Mr. Vicente Trius Oliva		
Ms. Gloria Hernández García		
Ms. Basola Vallés Cerezueta		
Mr. Jaime García-Legaz Ponce		

Remarks
Not applicable.

**b) Remuneration corresponding to company Directors for membership on the Boards of other group companies:**

The Directors of DIA have not earned any amounts for belonging to Boards at other group companies.

**c) Summary of remuneration (€k)**

The summary should include the amounts relating to all the remuneration items included in this report that have accrued in favour of the Directors, in thousands of euros.

Name	Remuneration earned at the Company					Remuneration earned at Group companies					Total fiscal year 2022 company + group
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Company total fiscal year 2022	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Group total fiscal year 2022	
Mr. Stephan DuCharme											
Mr. Sergio Antonio Ferreira Dias											
Mr. José Wahnnon Levy	150	31			181						181
Mr. Marcelo Maia Tavares de Araujo	120				120				226	226	346
Ms. Luisa Deplazes de Andrade Delgado	150				150						150
Mr. Vicente Trius Oliva	120				120						120
Ms. Gloria Hernández García	68				68						68
Ms. Basola Vallés Cerezuela	36	29			65						65

Name	Remuneration earned at the Company					Remuneration earned at Group companies					Total fiscal year 2022 company + group
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Company total fiscal year 2022	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings plans	Remuneration for other items	Group total fiscal year 2022	
Mr. Jaime García-Legaz Ponce	52	32			84						84
<b>Total:</b>	<b>696</b>	<b>92</b>			<b>788</b>				<b>226</b>	<b>226</b>	<b>1014</b>

Remarks
Mr. Marcelo Maia, in his capacity as former executive of the Company (CEO of Dia Brazil from 17 February 2020 to 31 December 2020) before his appointment as board member and for the concept of rights recognised under the long-term incentive plan for executives (LTI 2020-2022), has accrued during 2022 the amount of 226,000 euros.

**C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the Directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not Directors of the listed company.**

	Total amounts accrued and % annual variation								
	Fiscal Year 2022	% variation 2022/2021	Fiscal Year 2021	% variation 2021/2020	Fiscal Year 2020	% variation 2020/2019	Fiscal Year 2019	% variation 2019/2018	Fiscal Year 2018
<b>Executive Directors</b>									
Mr. Stephan DuCharme	0	-	0	-	0	-	0	-	0
<b>Non-executive Directors</b>									
Mr. Sergio Antonio Ferreiro Dias	0	-	0	-	0	-	0	-	0
Ms. Basola Vallés Cerezuela	36	-70.00	120	5.26	114	-	0	-	0
Mr. José Wahnón Levy	150	0,00	150	0,00	150	56.25	96	-	0
Mr. Jaime García-Legaz Ponce	52	-68,67	166	-9.29	183	15.09	159	-	0
Mr. Marcelo Maia Tavares de Araujo	120	361,54	26	-	0	-	0	-	0
Mr. Vicente Trius Oliva	120	361,54	26	-	0	-	0	-	0
Ms. Luisa Deplazes de Andrade Delgado	150	500,00	25	-	0	-	0	-	0
Ms. Gloria Hernández García	68	-	0	-	0	-	0	-	0
<b>Consolidated results of the company</b>	<b>-89,988</b>	<b>-63.04</b>	<b>-243,456</b>	<b>30.82</b>	<b>-351,941</b>	<b>48.01</b>	<b>-676,957</b>	<b>-323.92</b>	<b>-159,691</b>
<b>Average employee remuneration</b>	<b>25</b>	<b>8.70</b>	<b>23</b>	<b>-4.17</b>	<b>24</b>	<b>4.35</b>	<b>23</b>	<b>0,00</b>	<b>23</b>

## D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to Directors' remuneration that have not been addressed elsewhere in this report and which are necessary to provide a more comprehensive and reasoned view of the remuneration structure and practices of the company, provide a brief explanation.

\* \* \*

This Annual Report on Remuneration of Directors has been approved by the Board of Directors of the Company at its meeting held on 28 March 2023.

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

Yes

No