

03 September 2019

Western Gate Private Investments Limited

Western Gate to oppose itself to the reduction of the number of seats of the Board and the changes to the remuneration policy of DIA

The results of the Special Shareholders' Meeting of 30 August 2019 have been released having all resolutions been passed.

Western Gate has voted against two out of the eleven resolutions put to the vote on 30 August at the Special Shareholders' meeting for DIA, in which the company holds a 2% stake.

The first resolution to which Western Gate has opposed itself proposed the establishment of the number of members of the Board of Directors at eight, legitimating the cut of two seats made after the Voluntary Tender Offer.

Although acknowledging that Letterone holds 70% of DIA's capital, and that this permits it to have a larger representation on the board of directors, Western Gate points out that DIA remains a public company and that the interests of the minority shareholders must be protected. In the opinion of Western Gate, the current situation – with a Board of Directors composed of eight elements, of which seven have been nominated by Letterone – compromises the company in terms of corporate governance, given that the minority shareholders have been pushed away from the decision-making power, and can even fall under scrutiny from the regulatory bodies.

In this way, Western Gate defends that the number of members of DIA's Board of Directors should return to ten, with proportional representation of the shareholder structure. In the case of having the number of seats fixed at eight, then the Board should allow the minority shareholders to appoint two directors, ensuring the representation of their interests in the company.

The second resolution which Western Gate voted against is related to the Directors' remuneration policy. The proposal put to the vote states that short, medium and long-term variable remuneration of the Directors must depend on the achievement of economic, financial and non-financial targets. However, the proposal does not outline the referred targets, which, in Western Gate's opinion, does not allow the shareholders to know whether their interests are aligned with the Group's management or not.

Secondly, and still with regards to the remuneration policy, the proposal submitted to the vote intends to exclude the CEO from the variable remuneration plan, setting its compensation at €3 000 000 until 31/12/2022. This proposal overlaps the policy currently in place which states that the maximum that a CEO shall receive with regards to the fixed and short-term variable

remuneration is €3 000 000. Once again, Western Gate believes that this decision does not align the interests of the CEO with the minority shareholders and defends he should, like all the other Directors, participate in the short-term variable remuneration plan.