



## RELATED-PARTY TRANSACTIONS REPORT

### AUDIT COMMITTEE

#### 2016

Pursuant to Recommendation 6 of the Code of Good Practices for Listed Companies, approved by the Spanish Securities Market Commission (CNMV) on February 18, 2015, the Audit Committee of PROMOTORA DE INFORMACIONES, S.A. (PRISA) prepared this related-party transactions report for 2016, which will be posted on the PRISA website ([www.prisa.com](http://www.prisa.com)) when the next ordinary general shareholders' meeting is called.

In accordance with Article 529 ter of the Corporate Enterprises Act, Article 5 of PRISA's Board of Directors Regulation establishes that authority of the Board of Directors that is non-delegable includes authorisation, based on an Audit Committee report, related-party transactions with directors, significant shareholders and anyone related thereto. Said authorisation is not necessary for those related-party transactions that simultaneously satisfy the following three conditions:

- a) They are governed by standard form agreements applied on an across-the-board basis to a large number of customers;
- b) They are entered into at market prices or rates, generally set by the person supplying the goods or services; and
- c) The amount is no more than 1% of the Company's annual revenue.

Eligible directors, with direct or indirect conflicts of interest or who represent or are related to eligible shareholders must refrain from participating in deliberation and voting on resolutions.

Related-party transactions are disclosed in the notes to the PRISA Consolidated Annual Accounts and Annual Corporate Governance Report for 2016 as per prevailing legislation and the Company's Board of Directors Regulation.

#### **Related-party transactions in 2016**

##### ***Transactions with significant shareholders:***

PRISA and its Group companies did not perform any transactions with their significant shareholders which, according to prevailing legislation or the provisions of the Board of Directors Regulation, require prior authorisation from the Board of Directors during 2016.

The sole exception was the issuance of bonds that can be converted into PRISA shares, through the exchange of the Company's financial debt. These were subscribed, *inter alia*, by HSBC, CaixaBank and several Santander Group companies, which are both creditors of the Company and significant shareholders. This issue was approved by shareholders at the Ordinary General Shareholders' Meeting of 1 April 2016.

***Transactions with directors:***

PRISA's director, Gregorio Marañón, has provided legal advisory services to PRISA for several years of a fee of €90,000 per annum. This situation was duly disclosed in the Company's financial reporting and the corporate governance report in the relevant years.

In 2016, the Board of Directors approved a special fee of €50,000 every six months to the director, Dominique D'Hinnin, payable as from January 2017, for advising the Chairman and CEO on the Company's Refinancing Plan.

***Other related-party transactions:***

During 2016, the PRISA Group performed transactions with other companies in which it holds a direct or indirect stake but not control. Board approval was not required in 2016.

Based on an Audit Committee report, the Board of Directors also approved the Statement of Intent signed in 2016 by FUNDACIÓN SANTILLANA, PRISA and PRISA NOTICIAS, under which FUNDACION SANTILLANA has assumed the obligation to sell its holdings in DIARIO EL PAIS, S.L and EDICIONES EL PAIS, S.L. to PRISA NOTICIAS. These stakes are classed as "founders' stakes" and confer a raft of special voting rights.

The sale-purchase price is €3,000,000, equivalent to €150,000 per stake. The price was set based on an appraisal from an independent third party.

In relation to this sale-purchase, PRISA paid FUNDACIÓN SANTILLANA, on behalf and in the name of PRISA NOTICIAS, an initial payment of €1,000,000 in 2016.

**Information on related-party transactions**

PRISA's Consolidated Annual Accounts and Annual Corporate Governance Report for 2016 provide additional disclosures on the Company's related-party transactions.

In accordance with applicable legislation in force, transactions between companies in the same consolidated group (i.e. between PRISA Group companies) eliminated during the preparation of the consolidated financial statements and which are part of the companies' normal business in terms of their purpose and conditions, have not been included herein.

Information is also provided aggregate with regard to items with similar content.