PROMOTORA DE INFORMACIONES, S.A.
(PRISA)

DIRECTORS REMUNERATION POLICY

YEARS 2017- 2019

Directors Remuneration Policy approved by the General Shareholders Meeting held on June 30, 2017 and amended by the extraordinary General Shareholders Meeting on November 15, 2017.

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1. Introduction and period of validity of the Remuneration Policy.

The Remuneration Policy for the Directors of Promotora de Informaciones, S.A. (hereinafter, "**PRISA**" or the "**Company**") was approved by the General Shareholders Meeting on June 30, 2017 and will be in force during the financial years ending in 2017, 2018 and 2019 and includes the amendments that the Board of Directors submitted for the approval of the General Shareholders Meeting call for November 15, 2017, on first call or, if an insufficient quorum is reached, November 16, 2017, on second call.

This policy has been proposed by the Company's Appointment and Remuneration Committee and has been accompanied by a special report drawn up by this Committee in accordance with Article 529 *novodecies* of the Spanish Companies Act ("**LSC**" for its initials in Spanish). Both documents have been made available to shareholders on the Company's website in accordance with the current applicable law.

Pursuant to Article 529 *novodecies* of the Spanish Capital Companies Act, the Directors Remuneration Policy must be approved as a separate agenda point by the General Shareholders' Meeting at least every three years.

This Remuneration Policy will be in force for 2017, 2018 and 2019.

Any amendment or replacement of this Policy during the period in which it is in force would require prior approval by the General Shareholders' Meeting, following the procedure established for its approval.

2. General principles of the Directors Remuneration Policy.

This Directors Remuneration Policy complies with the general regime of the board remuneration scheme stipulated in PRISA's Articles of Association (Article 22) and Board of Directors' Regulation (Articles 33, 34 and 25).

The remuneration scheme is different for executive and non-executive Directors and aims to attract, retain and motivate candidates with the right profile to perform the duties inherent to sitting on the Board of Directors of a company with the characteristics and specific features of PRISA, considering their responsibilities. The Directors Remuneration Policy aims to contribute to fulfilment of the Company's strategic objectives within the framework in which it conducts its business, pursuant to prevailing legislation.

Taking into consideration that Directors may receive share of the Company as part of the remuneration, it is hereby stated that restrictions are imposed on the transfer of Company shares for Directors who may be privy to inside information.

Additionally, there are certain restrictions on the transfer of shares received by Directors as part of their compensation.

i) External Directors that receive shares in payment of their fixed compensation are required to hold them until leaving their positions as Directors.

ii) In the case of shares received as remuneration, the executive Directors may not transfer ownership of an amount of such shares equivalent to two times their annual fixed remuneration, until at least two years have elapsed since allocation.

iii) Regarding shares granted under the extraordinary incentives referred to in paragraph 4.2.3, the General Shareholders Meeting approving the corresponding granting of shares may establish restrictions over their transferability, as well as other limitations that may be considered convenient.

The aforementioned restrictions don´t apply if a director has to dispose of such shares to cover any acquisition-related costs.

As provided in article 217 of the Capital Companies Act, at the Appointments and Remuneration Committee’s request, the Board of Directors will review the Directors Remuneration Policy annually to ensure board remuneration is proportionate to the Company’s size and economic situation. The criteria adopted to determine the various components of a board compensation package will be drawn up according to the strategic objectives set by the Board of Directors, best market practices and prevailing legislation.

3. Remuneration policy applicable to Directors for serving on the Board (non-executive Directors)

3.1. Articles of Association provisions:

Pursuant to Article 22 of the Articles of Association, board remuneration will comprise a fixed annual fee. Each Director’s remuneration may vary according to his/her position, duties, responsibilities and services performed on the board committees. It will be compatible with the payment of meeting attendance fees.

The Board will be responsible for establishing the exact among of any per diems, and the specific remuneration that each director must receive, adhering at all times to the caps set by the General Shareholders’ Meeting and components of remuneration defined in the Articles of Association.

3.2. Remuneration cap:

Total remuneration of the Board of Directors payable to Directors for serving on the Board (excluding, therefore, any remuneration received as executive Directors under the items included in the following paragraph 4) may not exceed the annual cap set by the General Shareholders' Meeting, as provided in article 22 of Articles of Association.

The General Shareholders' Meeting held on 27 November 2010 established annual maximum fixed compensation for the Board of Directors of €2,000,000.

This cap will remain in effect until the General Shareholders' Meeting approves an amendment thereof.

3.3. Components of remuneration:

Respecting the aforesaid cap, the Board of Directors will set compensation payable to each director for serving on the Board, based on the functions and responsibilities assigned to each of them, positions held on the board committees, duties performed, and other objective circumstances that are of significance. The Board will also ensure that external director compensation is set as per the following guidelines:

i. The external director must be remunerated according to their actual time commitments.

ii. Independent Directors' compensation must be calculated so that it offers incentives for time commitment, without undermining their independence.

The policy for the remuneration of non-executive Directors may also include all or some of the following components of remuneration, which the Company currently pays:

i. <u>Fixed annual compensation for membership on the Board of Directors:</u>

Compensation in this category currently amounts to €75,000 per annum. This compensation is paid to each of the external Directors, at they so choose, either fully in cash or 60% in cash and 40% in PRISA shares.

When a director chooses partial payment in PRISA shares, they are delivered quarterly on a prorated basis, taking as the reference the average closing price of the share on the Continuous Market over the thirty business days immediately preceding the last day of each calendar quarter, included. Cash contributions are paid monthly, also on a prorated basis.

As already indicated, external Directors receiving shares in payment of their fixed compensation are required to hold them until standing down as Directors.

ii. Fixed annual compensation for membership on various board committees:

- Fixed annual compensation for membership on the Delegated Commission: the compensation in this category currently amounts to €75,000 per annum and is paid on a prorated basis, monthly in cash.

- Fixed annual compensation for membership on the Audit Committee, Appointment and Compensation Committee, Corporate Governance Committee and Strategic Digital Change Committee: the compensation in this category currently amounts to €19,000 per annum for the chairmen and €9,500 per annum for members, and is paid monthly in cash, on a prorated basis.

iii. Per diems for attendance at meetings of the Board of Directors and its committees: Directors may receive fees for attending meetings of all or some of these bodies and the amount of the per diems may be different for their chairmen and for their members, and is paid fully in cash. Per diems for attendance at meetings currently amount to €5,000 for chairmen of the board committees and €2,500 for members of the Board, the Delegated Commission and the board committees.

The Board of Directors is authorised to establish the components of remuneration for non-executive Directors, and the amounts payable for these components, according to the Company's circumstances at the time and as per Appointment and Remuneration Committee recommendations.

When exercising its powers, the Board must respect the following:

- The provisions laid down in the Articles of Association and this Directors Remuneration Policy;

- The amounts the Company currently pays non-executive Directors as fixed compensation and per diems, pursuant to sections i), ii) and iii) above, shall be considered as the caps that cannot be exceeded in any circumstances.

In addition, external Directors of PRISA may earn other fees for their participation on the boards of Directors of other companies in the PRISA Group, in accordance with their respective articles of association.

The Directors Remuneration Policy does not govern the granting of loans advances or guarantees. It also does not cover non-executive director participation in pension schemes or the right to compensation in the event of removal from their Directorships, or the awarding of any compensation other than that described in section 3.3.

The Company has public liability insurance cover for its Directors.

4. Remuneration policy applicable to executive Directors

4.1. Articles of Association provisions

Pursuant to Section 7 of Article 22 of PRISA's Articles of Association, Directors with executive functions are entitled to receive remuneration for performing these functions. Such compensation is set by the Board of Directors in accordance with the provisions of the Directors Remuneration Policy and it is stipulated in the employment contracts between each executive director and the Company.

The components of executive director remuneration and the basic conditions for performing their functions must be set out in a contract signed by the Company and the director. This contract must be previously approved by the Board of Directors, with the abstention of the director in question, and by a majority of two-third of the Board.

4.2. Components of remuneration:

Executive Directors receive no amount in the categories set forth in section 3.3. (fixed compensation for membership on the Board and its committees and per diems for attending meetings thereof).

The executive Directors' compensation may include the following components of remuneration:

- fixed salary;
- annual variable compensation;
- long-term variable compensation;
- Extraordinary incentives for the execution of key transactions for the interests of Prisa Group;
- social benefit; and
- in kind compensation.

4.2.1. Fixed compensation.

The executive Directors will receive for their executive and senior management functions, fixed annual compensation in cash.

Fixed remuneration will be determined in the corresponding service agreements entered into between the Company and each executive director. These agreements shall be approved by the Board of Directors with, at least, a two third majority and with the affected Director's abstention from voting and deliberation.

The fixed remuneration of the current executive Directors amounts to:

- Mr. Juan Luis Cebrián Echarri: €1,000,000.

- Mr. Manuel Polanco Moreno: € 460,420.

- Mr. Manuel Mirat Santiago: €500,000.

If other executive Directors are appointed by the Company, his fixed remuneration will not exceed the one provided for the Chairman (€ 1,000,000) or be lower than the one provided for the Chief Executive Officer (€ 500,000).

In any case, the aggregate of the gross annual fixed compensation to be received by all executive Directors of the Company may not exceed 3,000,000.00 EUR.

4.2.2. Variable compensation.

Part of the executive Directors' remuneration will be variable, with a view to strengthening their commitment to the Company and incentivise better performance. The executive Directors' variable compensation will comprise a significant part of their remuneration, and will be linked to achieving pre-established objectives that are specific and quantifiable.

Multi-year variable remuneration will be settled in Company's shares. As stated, in the case of shares received by executive Directors as remuneration, ownership of an amount of such shares equivalent to two times their annual fixed remuneration may not be transferred, until at least two years have elapsed from the date of allocation. This restriction does not apply if a director has to dispose of such shares to cover any acquisition-related costs.

Executive director objectives are signed off each year by the Board of Directors based on a proposal by the Appointment and Remuneration Committee. As per a proposal from this committee, the Board of Directors is also responsible for assessing the degree of fulfilment of the previously established objectives.

4.2.2.1. Short-term variable compensation.

The annual variable compensation of executive Directors will be governed by the provisions included in their respective service agreements, which shall be approved by the Board of Directors of the Company, and may consist in the granting of shares (with the prior approval by the General Shareholders Meeting in accordance with the applicable legal provisions) or in cash. Without prejudice of the Board of Directors' power to determine the variable compensation system of each executive director within the framework of this Policy, the annual variable compensation may consist of a bonus scheme referred to 100%fulfilment of management objectives.

In this case, the objectives that have to be met by the executive Directors to receive their annual bonus must be quantitative and linked to consolidated operating profits, and will be set by the Board of Directors.

The quantitative objectives of the annual bonus refer to the consolidated group and are tied directly to the compliance scale that relates the level of achievement of the objectives to the percentage incentive that applies to the variable bonus target amount set at the start.

100% of the amount fixed as the target bonus for each beneficiary is earned in the event of achievement of 100% of the established objectives.

Payment of the annual bonus is made after the end of the year, whereby the bonuses accrued during the year by executive Directors will be settled, where applicable, the following year.

The target variable compensation of the executive director will be determined by the terms and conditions of their respective contracts.

Regarding current executive Directors of the Company, the target variable compensation amounts to:

- Mr. Juan Luis Cebrián Echarri: €1,000,000.
- Mr. Manuel Polanco Moreno: €275,000.
- Mr. Manuel Mirat Santiago: €300,000.

If other executive Directors are appointed by the Company, the target variable remuneration will be set in the services agreement entered into between the Company and the Director, which will require the approval of the Board of Directors with, at least, a two third majority and with the affected Director's abstention from voting and deliberation. The remuneration may not exceed the one provided for the Chairman (€ 1,000,000) or be lower than the one provided for the Chief Executive Officer (€ 300,000).

Once the Directors Remuneration Policy has been approved by the General Shareholders' Meeting, the objectives for the annual bonus of executive Directors will be set by the Board of Directors, as recommended by the Appointment and Remuneration Committee.

4.2.2.2. Long-term variable compensation.

Multi-year variable remuneration will be linked to fulfilment of long-term objectives in order to foster the loyalty and motivation of the individuals assigned these objectives.

This compensation currently differs from one executive director to another and will be, as well, included in their respective agreements. A summary of the terms and conditions on this regard included in the agreements of the current executive Directors of the Company is hereby provided:

i) Mr. Juan Luis Cebrián Echarri:

According to the terms of Mr. Cebrián's contract with the Company, for the period 2016/2018 and subject to Mr. Cebrián's fulfilment of the strategic objectives to be set by the Board of Directors, at the proposal of the Appointment and Remunerations Committee, Mr. Cebrián may receive a gross variable multi-year, non-cash and non-vesting incentive (hereinafter, the Variable Multi-year Incentive) of a maximum of 100,000 shares of the Company, taking a share price of €15 as the basis for that calculation.

ii) Mr. Manuel Mirat Santiago:

Currently, Mr Mirat is not currently a beneficiary of any specific long-term compensation schemes, although he may be entitled to participate in multi-year remuneration plans, provided legal requirements are met.

iii) Mr. Manuel Polanco Moreno:

Mr. Polanco is not currently a beneficiary of any specific long-term compensation schemes, although he may be entitled to participate in multi-year remuneration plans, provided legal requirements are met.

New executive Directors appointed by the Company may be entitled to participate in multi-year remuneration plans, as long as this right is provided for in their respective service agreements and provided legal requirements have been met.

Once this Remuneration Policy is approved by the General Shareholders Meeting, long-term objectives for multi-year remuneration plans for executive Directors will be set by the Board of Directors based on the proposal of the Appointments and Remuneration Committee.

4.2.2.3. Actions taken by the Company regarding the compensation system to reduce exposure to excessive risk and to adapt it to the long-term interests, values and objectives of the Company.

The variable compensation system established by the Company includes the following aspects, for the purposes of trying to reduce risk:

- There is not right to obtain guaranteed annual variable compensation.
- The Board of Directors' Regulations establishes that compensation related to the results of the Company must take account of any possible qualifications appearing in the audit report that diminish those results.
- Additionally, the contracts of the executive Directors have a clawback clause that will allow the Company to claim reimbursement of items of variable pay where they were awarded based on performance figures that later are found to have been inaccurate. This measure applies to compensation received by Directors on or after 1 January 2016.

In addition, a variable compensation scheme is defined annually on the basis of formal procedures for the determination of the amounts to be paid to executive Directors. The objectives are fixed in writing in advance, on the basis of results adjusted for risk, audited and approved by the board.

The system for establishing metrics for the quantitative targets tries to include variables that have been identified in the company's risk map. The digital transformation process is therefore an identified risk, resulting in greater significance being placed on the indicators related to the digital transformation process in the annual variable compensation system in recent years.

All of the variable compensation has fixed maximum amounts to be paid.

4.2.3. Extraordinary incentives for the execution of key transactions for the interests of Prisa Group.

Executive Directors of the Company may receive shares or options over shares of Prisa when the Board of Directors, following the issuance of the corresponding mandatory report by the Appointment and Remuneration Committee, considers that it is in best interest of the Company to incentivize and reward executive Directors' performance in the configuration, preparation, negotiation and execution of critical corporate transactions for the future of Prisa Group and, in particular, in those necessary transactions for reestablishing and strengthening the financial balance and equity of the Company. Targets to be reached by the beneficiaries of these plans may be complemented with achieving other parameters that measure the long-term positive development of the Company's business.

In any case, granting of shares to executive Directors will require, in accordance with the provisions included in the Spanish Companies Act, previous approval by the General Shareholders Meeting of the Company. This resolution will establish, as applicable, the maximum number of shares that may be granted during each financial year under this remuneration system, the strike price or formula to calculate the strike price of the options over shares, the value of the underlying shares that, where appropriate, are use as reference and the term of the remuneration plan.

When considered appropriate by the Board of Directors, the proposal submitted to the General Shareholders Meeting approval will include the provisions regarding any restrictions on the transfer of shares or options over shares to be granted under these remuneration plans, as well as any other terms and conditions deemed to be appropriate.

4.2.4. Long-term savings schemes.

The contract signed with the Chairman, Mr. Juan Luis Cebrián Echarri, which entered into effect on 1 January 2014, provides that he is entitled for any of the years 2014, 2015, 2016, 2017 and 2018, to an annual contribution of €1,200,000, as retirement benefit, such as the defined benefit plan. The total contribution therefore shall amount to €6,000,000.

The retirement benefit will be delivered to Mr. Cebrián upon conclusion of his contract and will vest even in the event of early termination of the contract, even if the director gives notice voluntarily.

In the event of early termination of his contract by the Company, as indemnification Mr. Cebrián will only receive the retirement benefit, which will not be compatible with any other kind of indemnification. It will be compatible with the rendering of services to the Company or its Group and with the corresponding compensation agreed to by the Board of Director, following the report issued by the Appointments and Remuneration Committee if the resolution is adopted while he is still a member of the Board or if he is appointed as a member of the management.

If the non-compete clauses in his contract is breached, Mr. Cebrián would have to reimburse the Company in full for the amount received as retirement benefit.

4.2.5. In-kind compensation.

i) Life or accident insurance and health insurance:

PRISA has signed a policy with an insurance company that covers the contingencies of death for any reason, absolute disability and total permanent disability by reason of accident with a coverage amount equivalent to one year of total compensation of the beneficiary (compensation received in the prior year), additional coverage in the case of accidental death or absolute disability by reason of accident and further additional coverage in the event of death by traffic accident.

Within the Board of Directors of the Company, the only beneficiaries of this policy are the executive Directors.

The death benefit has an age limit of 75 years, and the supplementary risk coverages also have an age limit of 65 years.

In addition, the Group within its policy applicable to all executives has private health insurance, in the form of reimbursement of expenses. Within the Board of Directors of the Company, the beneficiaries of this insurance are the executive Directors and the external director Mr. Gregorio Marañón y Bertrán de Lis, as well as the family members thereof, respecting the age limits appearing in the corresponding policy.

ii) Home rental:

Under the terms of the contract, the Company is required to provide Mr Cebrián with a house in the Autonomous Community of Madrid with a maximum rental value of up to €50,000 per annum.

4.3. Advances, loans and guarantees.

The granting of loans, advances or any guarantees to executive Directors is not covered.

4.4 Indemnification in the event of termination of executive Director’s duties.

Executive Directors are entitled to indemnification in certain cases of early termination of their executive functions. Their respective contracts set forth the agreements reached by the company and the executive Directors. A summary of the terms and conditions on this regard included in the agreements of the current executive Directors of the Company is hereby provided:

i) Mr. Juan Luis Cebrián Echarri:

In the event of early termination of the contract of Mr Juan Luis Cebrián Echarri at the Company’s behest, he will receive exclusively as indemnification the retirement benefit, which will not be compatible with any other kind of indemnification.

ii) Mr. Manuel Mirat Santiago:

After the four-year period provided for in this agreement, or any of its extensions, if the Board of Directors of Prisa decides not to renew his position as CEO, Mr. Mirat will be entitled to an indemnity of 18 months of fixed and annual variable compensation. Likewise, in this case, the CEO will be entitled, as part of his severance package, to the proportional part of the variable target and multiannual incentive that, where appropriate, he may be entitled to.

In the event of unilateral resignation or by simple decision of the Company or its breach, Mr. Manuel Mirat Santiago will be entitled to the corresponding severance payment provided for in the applicable employment law that governs his suspended employment relation with the Company, as well as 18 months of fixed and annual variable compensation in cash, as of the date of his dismissal.

iii) Mr. Manuel Polanco Moreno:

In the case of unilateral resignation, simple decision of the Company or breach by it, Mr Manuel Polanco Moreno will be entitled to payment of indemnification equivalent to compensation equivalent to 15 months of the fixed and variable annual compensation in cash, taking the most recent payment as reference.

New executive Directors appointed by the Company may also be entitled to indemnification in certain cases of early termination of their executive functions by the Company. However, new executive Directors will not be entitled to any indemnification if they have incurred in any of the conducts that are considered as a legal cause for termination by the Company, in accordance with the applicable Law, unless a court or judge concludes that there was no just cause for termination

4.5. Main conditions of contracts of executive Directors whose appointment is effective as of the date of this Policy

The contract currently governing performance of the executive Directors' functions and responsibilities is a commercial agreement and includes clauses that are commonly included in this type of contract:

	Chairman **Mr. Juan Luis Cebrián Echarri**	**Deputy Chairman** **Mr. Manuel Polanco Moreno**	**CEO** **Mr. Manuel Mirat Santiago**
Advance notice from the director	Three (3) months. Obligation to pay the Company the compensation corresponding to the period of advance notice not honoured. Receipt of the retirement benefit.	Three (3) months. Obligation to pay the fixed compensation corresponding to the period of advance notice not honoured.	Three (3) months. Obligation to pay the fixed compensation corresponding to the period of advance notice not honoured.

Indemnification for termination of contract by the Company	Retirement benefit	Advance notice of three (3) months. Indemnification equivalent to fifteen (15) months of the most recent fixed and variable compensation	Advance notice of three (3) months. Indemnification severance payment provided for in the applicable employment law that governs his suspended employment relation with the Company, as well as 18 months of fixed and annual variable compensation in cash, as of the date of his dismissal.
Exclusivity and noncompetition clauses	Exclusivity while he is in the position of executive chairman. General prohibition of competition.	Exclusivity and specific prohibition of competition, except for companies identified in the contract.	Exclusivity and specific prohibition of competition, except for companies identified in the contract.
Post-contractual noncompetition	Four (4) years Spanish of foreign undertakings the business of which is identical or similar to those of the companies in the PRISA Group, in particular those of PRISA. Commitment not to hire any person that is or during the twelve (12) months prior to the date of contracting was a member of PRISA Group staff; and not to contribute to any PRISA Group worker leaving it. Compensation: retirement benefit. Breach: obligation to return benefit.	One (1) year. Spanish or foreign undertakings the business of which is identical or similar to those of the companies in the PRISA Group. Commitment not to hire any person that is or during the twelve (12) months prior to the date of termination of the contract was a member of PRISA Group staff; and not to contribute to any PRISA Group worker leaving it. Compensation: six (6) months of the last fixed gross salary, payable in equal instalments over the term of the noncompetition agreement. Breach: obligation to repay the amount of the compensation and, in addition, indemnification in an amount equal to six (6) months of the fixed compensation received.	Six (6) months. Spanish or foreign undertakings the business of which is identical or similar to those of the companies in the PRISA Group. Commitment not to hire any person that is or during the twelve (12) months prior to the date of termination of the contract was a member of PRISA Group staff; and not to contribute to any PRISA Group worker leaving it. Compensation: six (6) months of the last fixed gross salary, payable in equal instalments over the term of the noncompetition agreement. Breach: obligation to repay the amount of the compensation and, in addition, indemnification in an amount equal to six (6) months of the fixed compensation received.

If other executive Directors are appointed by the Company, clauses regarding exclusivity and noncompetition, advance notice or post-contractual noncompetition must be in line with the clauses included in the agreements of other executive Directors with similar profiles and faculties.

5. Other director remuneration for services provided outside their duties as a board member

The Company may remunerate certain Directors for providing other services, when so proposed by the Appointment and Remuneration Committee and approved by the Board of Directors.