

“English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail”.

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

ISSUER IDENTIFICATION

FINANCIAL YEAR: 31.12.2020

TAX ID CODE: A-28297059

Corporate Name: **PROMOTORA DE INFORMACIONES, S.A.**

Registered address: Gran Vía, 32. Madrid 28013

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A CAPITAL STRUCTURE

A.1. Complete the table below with details of the share capital of the company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
02/07/2020	70,865,019.30	708,650,193	708,650,193

Please state whether there are different classes of shares with different associated rights:

NO

Remarks
<p>i) On January 31, 2020, the share capital of Prisa amounts to EUR 666,131,181.42 and was represented by 708,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.94 euros, and have been fully paid up.</p> <p>At the General Shareholders Meeting held on June 29, 2020, the following resolutions were passed:</p> <ul style="list-style-type: none"> i. Share capital reduction by an amount of EUR 320,761,713.56 to offset losses, by decreasing the par value of shares by EUR 0.452637587, to EUR 0.487362413 per share. ii. Reduction of the share capital by an amount of EUR 7,086,501.93 to increase the legal reserve account, by decreasing the par value of the shares by EUR 0.01, to EUR 0,477362413 per share. iii. Reduction of the share capital by an amount of EUR 267,417,946.63, through the reduction of the par value of the Company's shares by EUR 0.377362413, to EUR 0.10 per share, to set up a reserve which will only be available under the same requirements as those for the share capital reduction. <p>As of December 31, 2020, the share capital of Prisa amounts to EUR 70,865,019.30 and is represented by 708,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up.</p> <p>ii) The date of the last change to the Company's capital (02/07/2020) is the date of execution of the deeds of the last transaction.</p>

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
AMBER CAPITAL UK LLP	0.00	29.84	0.00	0.00	29.84

HSBC HOLDINGS PLC	0.00	9.07	0.00	0.04	9.11
TELEFONICA, S.A.	9.03	0.00	0.00	0.00	9.03
RUCANDIO, S.A.	0.00	7.61	0.00	0.00	7.61
INTERNATIONAL MEDIA GROUP, S.A.R.L	5.14	0	0.00	0.00	5.14
GHO NETWORKS, S.A. DE CV	0.00	5.02	0.00	0.00	5.02
BANCO SANTANDER, S.A.	2.43	2.40	0.00	0.00	4.83
MELQART ASSET MANAGEMENT (UK) LTD	0.00	4.62	0.00	0.00	4.62
INVERSORA CARSO, S.A. DE CV	0.00	4.30	0.00	0.00	4.30
CARLOS FERNANDEZ GONZALEZ	0.00	4.03	0.00	0.00	4.03
POLYGON EUROPEAN EQUITY OPPORTUNITY MASTER FUND)	0.00	0.00	1.00	0.00	1.00

Breakdown of the indirect holding:

Indirect Shareholder's Name	Direct Shareholder's Name	% of shares carrying voting rights	% of voting rights through financial instrument	Total % of Voting Rights
AMBER CAPITAL UK LLP	AMBER ACTIVE INVESTORS LIMITED	14.39	0.00	14.39
AMBER CAPITAL UK LLP	AMBER GLOBAL OPPORTUNITIES LIMITED	3.15	0.00	3.15
AMBER CAPITAL UK LLP	OVIEDO HOLDINGS, S.A.R.L	12.30	0.00	12.30
HSBC HOLDINGS PLC	HSBC BANK PLC	9.07	0.04	9.11
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	0.01	0.00	0.01
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	0.02	0.00	0.02
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	7.58	0.00	7.58
GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	5.02	0.00	5.02
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L	0.79	0.00	0.79
BANCO SANTANDER, S.A.	CANTABRO CATALANA DE INVERSIONES, S.A	0.81	0.00	0.81

Indirect Shareholder's Name	Direct Shareholder's Name	% of shares carrying voting rights	% of voting rights through financial instrument	Total % of Voting Rights
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	0.79	0.00	0.79
MELQART ASSET MANAGEMENT (UK) LTD	MELQART OPPORTUNITIES MASTER FUND LTD	4.62	0.00	4.62
INVERSORA CARSO, S.A. DE CV	CONTROL EMPRESARIAL DE CAPITALES S.A. DE CV	4.30	0.00	4.30
CARLOS FERNANDEZ GONZALEZ	FCAPITAL LUX S.A.R.L.	4.03	0.00	4.03

Remarks
<p>i) The significant holdings indicated in the tables above are in accordance with the information published on the CNMV's website as of 31 December 2020 and, in some cases, the information provided by the Shareholders.</p> <p>ii) Mr. Joseph Oughourlian, external director representing significant shareholdings, has stated to the Company that: i) the structure of his indirect stake in the share capital of the Company, through Amber Capital UK LLP, is as declared in the previous tables and ii) he controls Amber Capital UK, LLP, which acts as investment manager to Oviedo Holdings Sarl, Amber Active Investors Limited and Amber Global Opportunities Limited.</p> <p>iii) As of January 2021, HSBC is no longer a significant shareholder of PRISA. HSBC Bank Plc is owned by HSBC UK Holdings Limited which, in turn, is owned by HSBC Holdings Plc.</p> <p>iv) The voting rights held by International Media Group, S.A.R.L have been declared to the CNMV by Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani, external director representing significant shareholdings, as an indirect stake.</p> <p>International Media Group, S.A.R.L. is 100% owned by International Media Group Limited which in turn is 100% owned by Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani.</p> <p>v) According to the information available to the Company, as of December 18, 2020, date of holding of the Extraordinary Shareholders' Meeting of PRISA, Banco Santander was the owner, directly and indirectly, of the voting rights reflected in the above tables.</p> <p>vi) Melqart Asset Management (UK) Ltd. acts as Investment Manager for and on behalf of Melqart Opportunities Master Fund Ltd, which is the direct owner of the voting rights.</p> <p>vii) Inversora Carso, S.A. de CV controls 99.99% of Control Empresarial de Capitaless S.A. de CV.</p> <p>viii) Mr Carlos Fernández González controls the majority of the capital and voting rights of Grupo Far-Luca, S.A. de C.V., the owner of 99% of Grupo Finaccess, S.A.P.I. de C.V., which in turn owns 99.99% of the capital and voting rights of Finaccess Capital, S.A. of C.V. The latter controls FCapital Lux S.à.r.l.</p> <p>ix) Polygon European Equity Opportunity Master Fund is a fund managed by Polygon Global Partners LLP.</p> <p>x) Lastly, it is noted that in January 2021, the French group Vivendi, with investments in the telecommunications and entertainment industries, has acquired 9,9% of PRISA.</p>

State the most significant shareholder structure changes during the year:

Most significant changes
<p>The most significant changes in the shareholder structure during the year, based on the shareholders' disclosures to the CNMV and whether their shareholdings have reached, exceeded or fallen below the thresholds specified in article 23 of Royal Decree 1362/2007 of 19 October, implementing Law 24/1988 of 28 July on the Securities Market in relation to transparency requirements (3%, 5%, 10%, 15%, 20%, 25%... etc. of share capital), are as follows:</p> <p>Melqart Asset Management has exceeded the 3% threshold (from 2.59% of total share capital through financial instruments at the year- end 2019 to 4.62 % through shares at year-end 2020).</p>

A.3 In the following tables, list the members of the Board of Directors (hereinafter "directors") with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MANUEL MIRAT SANTIAGO	0.01	0.00	0.00	0.00	0.01	0.00	0.00
JOSEPH OUGHOURLIAN	0.00	29.84	0.00	0.00	29.84	0.00	0.00
AMBER CAPITAL UK LLP	0.00	29.84	0.00	0.00	29.84	0.00	0.00
KHALID BIN THANI BIN ABDULLAH AL-THANI	0.00	5.14	0.00	0.00	5.14	0.00	0.00
ROBERTO LÁZARO ALCÁNTARA ROJAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANUEL POLANCO MORENO	0.01	0.02	0.00	0.00	0.03	0.00	0.00
MARIA TERESA BALLESTER FORNÉS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BEATRICE DE CLERMONT-TONERRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAVIER DE JAIME GUIJARRO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DOMINIQUE D'HINNIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAVIER SANTISO GUIMARAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ROSAURO VARO RODRIGUEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	35.02%
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Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
JOSEPH OUGHOURLIAN	AMBER CAPITAL UK LLP	29.80	0.00	29.80	0.00
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L.	05.14	0.00	05.14	0.00

Remarks
<p>i) Mr. Fernando Martinez Albacete, representative of Amber Capital UK LLP in the Board of Directors of Prisa, has stated that he doesn't hold, directly or indirectly, shares of Prisa.</p> <p>ii) Mr Roberto Lázaro Alcántara Rojas is the direct holder of 18,565 voting rights of Prisa, although his stake does not represent more than 0.00% of the share capital.</p> <p>iii) Given that the indirect holdings reported by director Mr Manuel Polanco Moreno don't represent 3% of the voting rights of the Company, it is not necessary identify the direct holders thereof, according to the terms of the Instructions for Completing the Annual Corporate Governance Report approved by CNMV Circular 1/2020.</p>

A.4 If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Names of the Related Persons or Entities	Type of Relationship	Brief Description
RUCANDIO, S.A./ AHERLOW INVERSIONES, S.L.	Corporate	Rucandio, S.A. controls indirectly 100% of the share capital of Aherlow Inversiones, through Timón, S.A.
RUCANDIO, S.A./ PROMOTORA DE PUBLICACIONES, S.L.	Corporate	Rucandio, S.A. controls directly 8.32% and indirectly 82.95% (through Timón, S.A.) of the share capital of Promotora de Publicaciones, S.L.
RUCANDIO, S.A./ RUCANDIO INVERSIONES, SICAV S.A	Corporate	Rucandio, S.A. holds 60.51% of Rucandio Inversiones SICAV
AMBER CAPITAL UK LLP/ AMBER FUNDS	Contractual	Amber Capital UK LLP is the investment manager of Oviedo Holdings, SARL, Amber Active Investors Limited, and Amber Global Opportunities Limited and it is vested with discretion to exercise voting rights for the funds under its management pursuant to written investment management agreements. The exercise of the voting rights is also subject to Amber Capital UK LLP's policies and procedures.

GHO NETWORKS, S.A. DE CV/ CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	Corporate	GHO Networks, S.A. de CV holds 99.99% of the share capital Consorcio Transportista Occher, S.A. de CV
GHO NETWORKS, S.A. DE CV/ CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	Commercial	The Consorcio Transportista Occher, S.A. de CV is a subsidiary of GHO Networks, S.A. de CV, as a result of which there are various legal, fiscal and commercial links between them.

A.5 If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

See section D on related transactions

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

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP IS DIRECTOR (REPRESENTED BY THE PERSON OF MR. FERNANDO MARTINEZ ALBACETE) REPRESENTING ITSELF AS A SIGNIFICANT SHAREHOLDER.
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	INTERNATIONAL MEDIA GROUP, S.A.R.L	KHALID BIN THANI BIN ABDULLAH AL-THANI IS DIRECTOR REPRESENTING INTERNATIONAL MEDIA GROUP, S.A.R.L. (IMG). IMG IS 100% OWNED BY INTERNATIONAL MEDIA GROUP LIMITED WHICH, IN TURN, IS 100% OWNED BY MR. AL THANI.

MANUEL POLANCO MORENO	RUCANDIO, S.A.	RUCANDIO, S.A.	MANUEL POLANCO IS DIRECTOR REPRESENTING TIMON, S.A. A COMPANY CONTROLLED BY RUCANDIO, S.A. MR POLANCO IS ALSO DEPUTY CHAIRMAN OF TIMON, S.A; CEO OF RUCANDIO, S.A., IN WHICH HE HOLDS 25% OF ITS SHARE CAPITAL; DIRECTOR OF RUCANDIO INVERSIONES, S.L., IN WHICH HE HOLDS DIRECTLY 14.73% AND INDIRECTLY 1.73% OF ITS SHARE CAPITAL.
JOSEPH OUGHOURLIAN	AMBER CAPITAL UK LLP	AMBER ACTIVE INVESTORS LIMITED.	JOSEPH OUGHOURLIAN IS DIRECTOR REPRESENTING AMBER ACTIVE INVESTORS LIMITED. MR. OUGHOURLIAN IS MAJORITY SHAREHOLDER OF AMBER CAPITAL MANAGEMENT LP, OWNER OF AMBER CAPITAL UK HOLDINGS LIMITED WHICH, IN TURN, OWNS AMBER CAPITAL UK LLP.
ROBERTO LÁZARO ALCÁNTARA ROJAS	GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	ROBERTO LÁZARO ALCÁNTARA ROJAS IS DIRECTOR REPRESENTING THE COMPANY CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV., BEING ALSO ITS CHAIRMAN AND HOLDER OF 85% OF ITS SHARE CAPITAL. MR LÁZARO IS ALSO CHAIRMAN OF GHO NETWORKS, S.A. DE CV AND HOLDER OF 18.18% OF ITS SHARE CAPITAL.
ROSAURO VARO RODRIGUEZ	TELEFONICA, S.A.	TELEFONICA, S.A.	ROSAURO VARO HOLDS 0.045% OF TELEFONICA'S SHARE CAPITAL.

Remarks
Mr Fernando Martinez (representative of the director Amber Capital UK LLP, who is also a significant shareholder of PRISA) holds an indirect 0.47% stake in the share capital of Timón, S.A. Timón is controlled by Rucandio, S.A, significant shareholder of PRISA.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

YES

Parties to the Shareholders' Agreement
RUCANDIO, S.A.
TIMON, S.A.

% of share capital: 0.02%

Brief Description of the Agreement: Shareholder Agreement in Promotora de Publicaciones, S.L (Propu): On May 21, 1992 Timon S.A. and a group of shareholders of Prisa entered into an agreement to govern the contribution of their shares in that company to Propu and their participation therein in the following terms: a) each majority shareholder shall have at least one representative on the Board of Directors of Prisa and, to the extent possible, the governing body of Propu shall have the same composition as Prisa's; b) Propu shares to be voted at Prisa's General Shareholders Meetings will be previously determined by the majority members. Propu members who are likewise members of Prisa's Board of Directors shall vote in the same manner, following instructions from the majority shareholders; c) in the event that Timon, S.A. sells its holdings in Propu, the remaining majority shareholders shall have the right to sell their holdings in Propu on the same terms to the same buyer, to the extent that the foregoing is possible.

Expiry date of the agreement, if any: Indefinite

Parties to the Shareholders' Agreement
IGNACIO POLANCO MORENO
MARIA JESÚS POLANCO MORENO
MARTA LOPEZ POLANCO
ISABEL LOPEZ POLANCO
MANUEL POLANCO MORENO
JAIME LOPEZ POLANCO
LUCIA LOPEZ POLANCO

% of share capital: 7.61%

Brief Description of the Agreement: Shareholder Agreement in Rucandio: On December 23, 2003, Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno-deceased- (whose children have succeeded to her position in this agreement), Mr. Manuel Polanco Moreno, Ms. M^a Jesús Polanco Moreno and their now deceased father Mr. Jesús de Polanco Gutiérrez and deceased mother Ms. Isabel Moreno Puncel signed a Family Protocol, to which a Shareholder Syndicate Agreement was annexed concerning shares in Rucandio, S.A. and whose object is to preclude the entry of third parties outside the Polanco Family in Rucandio, S.A. and in which the rules of action of the syndicated shareholders and directors are established.

Expiry date of the agreement, if any: Indefinite

Remarks
The information on the previous shareholders' agreements is that which is published on the CNMV website: i) Shareholder Agreement in Promotora de Publicaciones, S.L.: Material disclosures no 48407 and 49622, dated 22 March 2004 and Material disclosure no.63701 dated January 30, 2006 and ii) Shareholder Agreement in Rucandio, S.A.: Material disclosures no 83185 dated 14 August 2007.

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

NO

Remarks
The concerted actions known to the Company are the shareholders agreements described above.

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

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A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores (“Spanish Securities Market Act” or “LMV”). If so, please identify them:

NO

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

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
1,713,477	0	0.24

Remarks
<p>The Company has a liquidity contract with JB Capital Markets (the “Financial Intermediary”) for the purpose of favoring the liquidity and regularity of the Company’s shares quotation, within the limits established by the Company’s Shareholders General Meeting and the applicable regulation, in particular, Circular 1/2017 of the CNMV.</p> <p>The Financial Intermediary will perform the operation regulated by the Liquidity Contract in the Spanish regulated markets and multilateral trading system, through the market of orders, according to the contracting rules, within the usual trading hours of these and as established in Rule 3 of Circular 1/2017.</p> <p>The Liquidity Contract has been temporarily suspended for the period of time during which the quoted price of the share of Prisa was lower than its face value and, therefore, it was not possible to operate under the contract (from May 7, to July 13, 2020, date on which the resolutions on the reduction of reserves and share capital adopted by the Ordinary General Shareholders’ Meeting held on 29 June 2020 were registered with the Commercial Registry).</p>

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

<p>On treasury stock policy, the Shareholders’ Meeting held on April 25, 2018 agreed to grant express authorisation for derivative acquisition of shares of the Company, directly or through any of its subsidiaries, with the following limits or requirements:</p> <p>(i) Methods of acquisition: by purchase or by any other inter vivos act for consideration.</p>
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(ii) Maximum amount: The par value of the shares acquired directly or indirectly, added to that of those already held by the Company and its subsidiaries and, if applicable, the controlling company and its subsidiaries, at no time will exceed the permissible legal maximum.

(iii) Characteristics of the acquired shares: The acquired shares must be free of any liens or encumbrances, must be fully paid up and not subject to performance of any kind of obligation.

(iv) Mandatory reserve: A restricted reserve may be established within net worth in an amount equivalent to the amount of the treasury shares reflected in assets. This reserve shall be maintained until the shares have been disposed of or cancelled or there is been a legislative change so authorising.

(v) Term: 5 years from the date of approval of this resolution.

(vi) Minimum and maximum price: the acquisition price may not be less than par value or more than 20 percent higher than market price, in both cases, at the moment of the acquisition. The transactions for the acquisition of own shares will be in accordance with the rules and practices of the securities markets.

All of the foregoing will be understood to be without prejudice to application of the general scheme for derivative acquisitions contemplated in article 146 of the current Capital Companies Act.

It is expressly stated that the shares acquired as a consequence of this authorisation may be used to be sold, amortized, or to the application of any remuneration system, plan or resolution by means of or any agreement for the delivery of shares or options on shares to the members of the Board of Directors and to the managers of the Company or its Group in force at any time, and that express authorisation is granted for the shares acquired by the Company or its subsidiaries pursuant to this authorisation, and those owned by the Company at the date of holding of this General Meeting, to be used, in whole or in part, to facilitate fulfilment of the aforementioned plans or agreements, as well as the performance of programs that increase the participation in the Company's share capital such as, for example, dividend reinvestment plans, fidelity bonus or other analogous instruments. The Board of Directors is also authorised to substitute the delegated powers granted by this General Shareholders Meeting regarding this resolution in favor of the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Board.

Likewise on December 31, 2020, the current powers conferred to issue shares, upon the Board of Directors at the Shareholders' Meeting, are the following:

i. Resolution delegating authority to increase capital to the Board of Directors, with delegation to exclude preemption rights, if any, adopted by the General Shareholders Meeting of June 3, 2019, in effect until June 2024.

ii. Resolution delegating to the Board of Directors authority to issue fixed income securities, both straight and convertible into newly-issued shares and/or shares exchangeable for outstanding shares of Prisa and other companies, warrants (options to subscribe new shares or acquire outstanding shares of Prisa or other companies), bonds and preferred shares, with delegation of the authority to increase capital by the amount necessary to cover applications for conversion of debentures or exercise of warrants, and to exclude the preemption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares, adopted by the General Shareholders Meeting of April 25, 2018 in effect until April, 2023.

iii. Medium-Term Incentive Plan for the period falling between 2018 and 2020 (the "Plan"), consisting of the award of Company shares linked to stock market value and to the performance of certain objectives, targeted at the Managing Director, Senior Managers and other Managers of Promotora de Informaciones, S.A. and, as the case may be, of the dependent companies. To entrust the Board of Directors, including an express power of delegation, with the implementation, development, formalization and enforcement of the aforesaid compensation scheme. The shares are to be awarded, as the case may be, within sixty (60)

calendar days after the date on which the Company's Board prepares the 2020 financial statements. The Plan may be covered with treasury stock, with newly issued shares through a capital increase or through the Company's contracting of suitable financial coverage instruments. The agreement was adopted by the General Shareholders Meeting held on 25 April 2018.

A.11 Estimated working capital:

	%
Estimated working capital	15.19

Remarks
<p>Floating capital has been estimated following the instructions of CNMV Circular 2/2018, that is, not taking into account the part of the share capital in the hands of significant shareholders or the voting rights of members of the Board of Directors or treasury stock and avoiding duplicities which exist between the data reported in sections A.2 and A.3.</p> <p>Following these instructions, the figure for free float that is recorded in this Report (15.19%) differs from that recorded in the Company's management Report that accompanies the annual accounts (21%), which has been calculated taking into account other criteria (in particular, not all of the shareholdings included in section A.2 have been considered, since it is considered that not all of them are "reference shareholders", nor the shareholdings of the directors, nor the treasury stock.</p>

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

NO

A.13 State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

NO

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

YES

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share
<p>"American Depositary Shares" ("ADS"): At the Extraordinary General Meeting of PRISA held on 27 November 2010, ordinary class A shares and convertible class B shares were issued and were formally subscribed by a depositary bank (Citibank NA), acting purely in a fiduciary capacity for the benefit of the real owners of the PRISA shares. Simultaneously with the</p>

subscription, the depositary bank issued "American Depositary Shares" ("ADS"), representing Class A (ADS-A) and Class B (ADS-B) shares.

The ADS representing Class A and Class B PRISA shares were listed on the New York Stock Exchange (NYSE) until: i) the mandatory conversion of the ADS-B shares in July 2014 and ii) the delisting of the ADS-A shares (requested by the Company) in September 2014.

PRISA has continued the ADS program in the European Union via the non-organized OTC market on which the ADS shares may be traded.

The Company's share capital is currently represented by ordinary shares, all of the same class and series, and the reference to Class A shares has disappeared.

Each PRISA ADS gives the right to one ordinary PRISA share. The owners of the ADS have had the right to ask the depositary institution holding the aforementioned ADS (Citibank NA) for the direct delivery of the corresponding shares and their consequent trading on the Spanish stock exchanges.

As of December 31, 2020 the number of ADSs was 423,919.

B] GENERAL SHAREHOLDERS' MEETING

B.1 State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

NO

B.2 State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

NO

B.3 State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the Bylaws is a matter for the General Shareholders Meeting and shall be carried out in accordance with the provisions contained in the Capital Companies Act and the Bylaws, whose article 14 provides that for approval of Articles amendments and unless the law otherwise provides, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than 50%, or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent 25% or more of the subscribed voting capital without reaching 50%.

The Nominations, Compensation and Corporate Governance Commission shall report on proposals for amending the Bylaws. Furthermore, in accordance with the provisions of the Capital Companies Act, the Board shall prepare a report justifying the proposed bylaw amendment to be published on the website of the Company from the date of publication of the notice of the General Shareholders Meeting.

B.4 Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

Date of General Meeting	Attendance data					Of which, free float:
	% physically present	% present by proxy	% distance voting		Total	
			Electronic voting	Other		
25 April 2018	20.74	57.85	0.00	0.00	78.59	4.32
3 June 2019	21,81	55,84	0.00	0.00	77,65	11.22
29 January 2020	7.79	77.45	0.00	0.00	85.24	13.82
29 June 2020	16.73	64.13	0.00	0.81	81.67	13.91
22 December 2020	17.36	67.28	0.00	0.00	84.64	19.91

Remarks
<p>i) The data provided in the above table as to the free float shareholders present at the shareholders' meetings, in person or by proxy, are the result of estimates made by the Company solely for the purpose of completing this template (in the case of the shareholders' meeting held in 2018 are based on statistical studies carried out originally after the shareholders' meeting), and so cannot be considered exact. The free float shown at the mentioned shareholders' meetings includes both shareholders present in person and those who attended by proxy.</p> <p>ii) The percentages of electronic voting were the following: 0.001% at the shareholders 'meetings of April 25, 2018, June 3, 2019 and January 29, 2020; and 0.002% at the shareholders 'meetings of June 29, 2020, and December 18, 2020. These data are not recorded in the table, because the CNMV's templates only allows inserting figures with two decimals.</p> <p>iii) The General Shareholders' Meeting which took place on June 29, 2020, and December 18, 2020 were held exclusively remotely.</p>

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

NO

B.6 State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

NO

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

NO

B.8 State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The Company maintains a website for the information of shareholders and investors whose URL is <http://www.prisa.com>.

Within this website there is a section entitled “Shareholders and Investors”, within which is posted all information PRISA must make available to its shareholders.

As of December 31, 2019, the section “Shareholders and Investors” was organized into the following sections: I. GENERAL INFORMATION: i) Communication channels, ii) Shares and Share Capital, iii) Major Shareholders and Treasury Stock, iv) Shareholder agreements Pactos parasociales, v) Dividends, and vi) Prospectus; II. CORPORATE GOVERNANCE: i) Bylaws, Regulations And Other Internal Rules, ii) Board of Directors and Board Committees, iii) Honorary Presidency, iv) Management Team, v) Remuneration of Board members and vi) Corporate Governance Report; III. FINANCIAL INFORMATION: i) Periodic Public Information (IPP), ii) Audited Financial Statements and Management Report iii) Average payment period to suppliers IV. GENERAL SHAREHOLDERS’ MEETING : i) Annual General Meeting Regulations , ii) Exercising the Right to Information , iii) Distance and proxy voting , iv) AGMs 2020; v) AGMs 2019; vi) AGMs 2018 vii) AGMs 2017, viii) AGM 2016; ix) AGM 2015, and x) Shareholders meetings preceding to 2015 and V) COMMUNICATIONS TO CNMV: i) Inside Information, ii) Webcast Debt refinancing and Santillana España disposal; iii) Other Relevant Information; and iv) Relevant Information until February 8th, 2020.

C COMPANY ADMINISTRATIVE STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	12

C.1.2 Please complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MANUEL MIRAT SANTIAGO	--	EXECUTIVE	CEO	30 June 2017	17 November 2017	RESOLUTION BY THE SHAREHOLDERS’ MEETING
JOSEPH OUGHOURLIAN	--	PROPRIETARY	DEPUTY CHAIRMAN	18 December 2015	29 June 2020	RESOLUTION BY THE SHAREHOLDERS’ MEETING
ROBERTO LÁZARO ALCÁNTARA ROJAS	--	PROPRIETARY	DIRECTOR	24 February 2014	3 June 2019	RESOLUTION BY THE SHAREHOLDERS’ MEETING
AMBER CAPITAL UK LLP	FERNANDO MARTINEZ ALBACETE	PROPRIETARY	DIRECTOR	22 March 2018	29 June 2020	RESOLUTION BY THE SHAREHOLDERS’ MEETING

MARIA TERESA BALLESTER FORNES	--	INDEPENDENT	DIRECTOR	30 July 2019	29 January 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
BEATRICE DE CLERMONT-TONERRE	--	INDEPENDENT	DIRECTOR	3 June 2019	3 June 2019	RESOLUTION BY THE SHAREHOLDERS' MEETING
JAVIER DE JAIME GUIJARRO	--	INDEPENDENT	DIRECTOR	20 November 2017	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
DOMINIQUE D'HINNIN	--	INDEPENDENT	DIRECTOR	06 May 2016	03 June 2019	RESOLUTION BY THE SHAREHOLDERS' MEETING
MANUEL POLANCO MORENO	--	PROPRIETARY	DIRECTOR	19 April 2001	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
KHALID BIN THANI BIN ABDULLAH AL-THANI	--	PROPRIETARY	DIRECTOR	18 December 2015	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
JAVIER SANTISO GUIMARAS	--	INDEPENDENT	DIRECTOR	22 December 2020	22 December 2020	COOPTATION
ROSAURO VARO RODRIGUEZ	--	INDEPENDENT	DIRECTOR	22 December 2020	22 December 2020	COOPTATION

Total number of directors	12
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
MR. FRANCISCO JAVIER GOMEZ-NAVARRO NAVARRETE	INDEPENDENT	20 November 2017	29 June 2020	NOMINATIONS, COMPENSATION AND CORPORATE GOVERNANCE COMMISSION	NO
MR. JAVIER MONZON DE CÁCERES	INDEPENDENT	29 June 2020	18 December 2020	DELEGATED COMMISSION	YES
MRS SONIA DULÁ	INDEPENDENT	29 June 2020	18 December 2020	DELEGATED COMMISSION/ NOMINATIONS, COMPENSATION AND CORPORATE GOVERNANCE COMMISSION/ AUDIT,	YES

				RISKS COMPLIANCE COMMISSION	AND	
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Reason for leaving and other remarks
<p>(i) The composition of the Board of Directors shown in the table above is as of 31 December 2020. In February, 2021: i) the Board of Directors appointed Mr. Joseph Oughourlian a non-executive chairman (he had previously served as deputy chairman since April, 2019) within the framework of the Succession Plan that the Board implemented after the previous chairman left office last December; ii) since Mr. Oughourlian is a significant shareholder, independent director Mr. Rosaura Varo was appointed non-executive deputy chairman; iii) Mr. Javier de Jaime resigned as member of the board, and iv) the Board made an interim appointment of Ms. Pepita Marín Rey-Stolle as independent director.</p> <p>ii) Mr. Javier Monzón de Cáceres, who held the non-executive chairmanship of the Board of Directors, was removed as a director at the Extraordinary Shareholders' Meeting held on December 18, 2020, upon approval of the proposal raised by shareholder Amber Capital, with the favorable vote of 52.201% of the quorum of the meeting. Amber Capital justified its proposal based on disagreements with Mr. Monzón's strategic vision of the Company, likewise noting that they would have preferred that Mr. Monzón leave office voluntarily, but given his reiterated refusal to do so, they had no other choice but to propose his removal at the Shareholders' Meeting. During the Shareholders' Meeting, Mr. Monzón expressed his opinion on the proposal for his removal, presented by Amber Capital, indicating that the relevance of the matter prevented him from resigning at that time, without the Board's having knowledge of the situation and, likewise, that the Company roadmap approved by the Board provided for separating our education and media businesses, and that it was not true that he opposed that strategy. The Shareholders' Meeting was streamed live and, thus, Mr. Monzón's statements were public. After the Shareholders' Meeting concluded, the Company made the corresponding announcement of insider information to the securities authorities and issued a press release. The Shareholders' Meeting was broadcast via streaming, so that all investors and other interest groups had access to the statements made by Mr. Monzón. Once the Shareholders' Meeting was over, the Company formally published the cessation of Mr. Monzón through the corresponding communication of privileged information sent to the CNMV, as well as the appropriate press release.</p> <p>(iv) Other cessations: i) Ms. Sonia Dulá presented her resignation from the Board on December 18, 2020 due to the fact that in view of her new personal and professional circumstances, she could no longer devote the time and attention that the post of independent PRISA director requires. Ms Dulá explained the reasons in a letter that was sent to all the members of the Board of Directors. The corresponding communication was also made to the CNMV and ii) Mr. Francisco Javier Gómez- Navarro Navarrete's term of office came to an end on the date of the Shareholders' Meeting held on June 29, 2020, pursuant to article 222 of the Capital Companies Act. He had declined reelection, having determined to focus his professional activities on other areas.</p>

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name of director	Post in organisational chart of the company	Profile
MR. MANUEL MIRAT SANTIAGO	CEO	Manuel Mirat holds a degree in Law, and completed the Senior Management Program (PADE) and the

		<p>Management Development Program (PDD) at the IESE. Mirat began his career at Arthur Andersen and joined PRISA in 1997, where he held a range of corporate posts, including head of the Finance Department. In 2004, he was appointed CEO of PRISACOM to lead the digital development of the Group, overseeing transformation projects for the different brands: El País, Cadena SER, 40 Principales, As and Cinco Días. In March 2009 he was appointed chief operating officer of Sogecable, and in December of that year he became Managing Director of CANAL +, in charge of sales, marketing and new business development. In 2014 he was appointed CEO of El País and PRISA Noticias. Since June 2017 he has been director of PRISA and, since September, 2017, its CEO.</p>
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Remarks
Section C.1.10 provides more information on other positions held by the director at Grupo Prisa

Total number of executive directors	1
Percentage of Board	8.33%

PROPRIETARY DIRECTORS

Name of director	Name of the significant shareholder represented or that has proposed their appointment	Profile
AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	<p>Fernando Martínez es un profesional en finanzas y gestión con más de 20 años de experiencia en el sector de los medios de comunicación. Es director financiero de Inmoglaciari, un grupo inmobiliario controlado por una firma internacional de capital privado y colabora en el diseño y gestión de la estrategia de inversión Tapru, S.L. Es miembro del Board de Directors en Bimba y Lola.</p> <p>Trabajó con Prisa entre 2009 y 2017, desempeñando sucesivamente como Secretario General, Director de Desarrollo Corporativo y Planificación Estratégica y Control y más recientemente, director financiero. Anteriormente, fue Director Financiero de Sogecable - open and pay TV Group, donde había participado previamente en su OPI. Ha sido miembro del Consejo de Administración de Sogecable / Canal +, Santillana, Prisa Radio y Diario As, entre otras empresas. Es licenciado en Economía y Empresa por la Universidad Pontificia Comillas - ICADE.</p>
MR KHALID BIN THANI BIN ABDULLAH AL THANI	INTERNATIONAL MEDIA GROUP, S.À.R.L.	<p>Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is a prominent Qatari businessman with diverse interests in banking, real estate, insurance, financial securities, healthcare, telecommunications, media, information</p>

		<p>technology, humanitarian services, education and travel industries. He is chairman of several listed companies in Qatar, as well as co-founder and benefactor of a number of non-profit organizations and business associations. In addition to his business interests, Shk. Dr. Khalid is an avid sports fan and a key benefactor of sports events and international and domestic sports associations.</p>
<p>MR. MANUEL POLANCO MORENO</p>	<p>TIMON, S.A.</p>	<p>Manuel Polanco holds a degree in Economics and Business Studies from the Autonomous University of Madrid. He has a thorough understanding of PRISA, where he has spent his entire professional career. He began his career in Latin America, a region which has long proved crucial for the development of the Group.</p> <p>From 1991 to 1993 he headed Santillana in Chile and Peru. He was subsequently appointed editor-in-chief of the Mexican newspaper La Prensa and he was instrumental in the launch of the American edition of El País in Mexico City, the first Spanish newspaper to be published simultaneously in both countries. It quickly became the newspaper of record and set the standard for international reporting in Latin America. In 1996 he became director of Santillana in Latin America and the United States, based in Miami, a period which saw the creation of the last Santillanas in the region. He also improved coordination between offices in different countries.</p> <p>Back in Spain in 1999, he became president of the media sales arm of the entire Group through GDM (Gerencia de Medios) and a year later he was named president of GMI (Gestión de Medios Impresos) which brought together the newspapers Cinco Dias and AS, magazines and new investments in regional press. In 2005, after the acquisition of Media Capital by PRISA, he was made CEO of the Portugal's leading television and audiovisual production company. Here he oversaw a period of international expansion into other Portuguese-speaking markets and he consolidated the Portuguese company's lead in television, with TVI, as well as in audiovisual production for television through the company Plural.</p> <p>In 2009, he returned to Spain as a Managing Director at PRISA, and he subsequently oversaw the Group's television interests, including Canal + until its sale to Telefonica in 2015. He led the launch of PRISA's new production and video division while Deputy Chair of the Group. Polanco has been a director of PRISA since 2001 and a member of its Executive Committee since 2008. On January 1, 2018, he took over as Chairman of the Board of Directors of PRISA, a post he held until December of that year. Currently, besides Director of PRISA, is non-executive Chairman of the Boards of Directors of: Prisa Noticias, S.L., Grupo Santillana Global Education, S.L. and Prisa Radio, S.A.</p>

MR JOSEPH OUGHOURLIAN	AMBER ACTIVE INVESTORS LIMITED	Joseph Oughourlian is the founder of Amber Capital. Mr Oughourlian founded Amber Capital in New York in November 2005. Mr Oughourlian began his career at Société Général in Paris in 1994 and moved to New York in 1996. In 1997, he ventured into proprietary trading at Societé Generale, which led to the first Amber Fund being established in October 2001 with seed capital from the Bank. Mr.Oughourlian graduated from the HEC Business School and from IEP (Sciences Po.), both in Paris, and earned his MSc in Economics from the Sorbonne in Paris. Oughourlian currently sits on the boards of a range of companies. He was appointed director of PRISA in December 2015 and is a Vice-Chairman of the Board of Directors since April 29, 2019
MR. ROBERTO LAZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE C.V	Roberto Alcántara Rojas (Mexico, 1950), a businessman involved in the long-haul transport sector, president of Toluca Group and the low-cost airline VivaAerobus, which he founded in 2006 with the Irish carrier Ryanair. He is shareholder and chairman of the Board of Directors of the consortium Iamsa - Inversionistas en Autotransportes Mexicanos, S.A de CV - Investors in Mexican Transport - which encompasses the largest transport companies in Mexico. Between 1991 and 1999 he was Chairman of the Board of Directors of BanCreceer, SA. Alcántara has also been included in the list of Top 100 Mexican executives, produced annually by CNN.

Total number of proprietary directors	5
Percentage of the Board	41.67%

Remarks
i) Timón, S.A. is a company controlled by Rucandio, S.A.
ii) Sections A.6, C.1.10 and C.1.11 provide information on the directors' relationships with significant shareholders and on other of their professional occupations.

INDEPENDENT DIRECTORS

Name of director	Profile
MR. DOMINIQUE D'HINNIN	Dominique D'Hinnin is an outstanding media sector professional and was a co-managing partner and CFO of the French group Lagardere, a world leader in the publishing sector. D'Hinnin began his career at the Inspection générale des finances (Ministry of Finance of France). In 1990, he joined Lagardere as Chief Internal Auditor, where he played an active role in the financial and legal restructuring of the Group to create Lagardere SCA and where he oversaw the merger of Matra with Hachette and three years later he was appointed CFO of the publisher Hachette Livre. In 1994, he was appointed Executive Vice President of Grolier Inc (Connecticut, USA) where he undertook the overhaul and development of the company in the US, UK and Asia, and the launch of Grolier Interactive Europe.

	<p>D'Hinnin was a member of the boards of Marie Claire Album and Holding Evelyne Prouvost until April 2016. He has also sat on the boards of Editions Amaury SA (2011-2013), and on the Strategic Council at PricewaterhouseCoopers France (2009-2013); he was a member of the Remuneration Committee and Audit Committee at EADS-Airbus (2007-2013), and Deputy Chairman of the Supervisory Board and member of the Audit Committee of Canal + France (2007-2013).</p> <p>He was also vice chairman and head of the Audit Committee at Atari - Infogrames Entertainment SA (2005 to 2011) and member of the Board and Chairman of the Audit Committee of Le Monde SA between 2005 and 2010.</p> <p>He currently is chairman of the board of EUTELSAT Communications, a French Satellite Service Company. He is also a board member of EDENRED, a French Corporate Services Company, Technicolor, a French technology Company, Louis Delhaize, S.A, a Belgium private retail group, and Golden Falcon, an US public company.</p> <p>Dominique D'Hinnin received his undergraduate degree from École Normale Supérieure (in classical culture) and a graduate degree from Ecole Nationale d'Administration, between 1979 and 1986.</p>
<p>MS BEATRICE DE CLERMONT</p>	<p>Béatrice de Clermont Tonnerre is a member of the Executive Committee of the artificial intelligence company Kayrros, which focuses on energy markets. Until September 2019 she was serving as GOOGLE Director for AI Partnerships. She is based at the AI Research Center in Paris she oversaw and engages with large clients on Machine Learning solutions. From 2013 to 2018 she was Southern Europe Director for monetisation at GOOGLE, covering France, Spain and Italy. She was previously Senior VP Business Development at LAGARDERE leading mergers and acquisitions in pay TV, book and magazine publishing, sports rights and digital media; after working for the CANAL PLUS Group from 2001 to 2005 as Head of Interactive Television and Co-Head of Programming.</p> <p>Mrs. de Clermont Tonnerre started her career as a radio journalist for two years and she entered the business world as a strategy analyst at MATRA working on the space industry and defense electronics. She participated, in 1995-1999 as a junior member of the team to the build-up that led to the creation of EADS Group (now AIRBUS Group).</p> <p>Béatrice de Clermont Tonnerre graduated from IEP Paris (BA in Political Sciences and Economy) and obtained her MBA degree from ESSEC (École Supérieure des Sciences Economiques et Commerciales).</p> <p>Béatrice de Clermont Tonnerre is a member of the board of the SES satellite operator that is traded on the Luxembourg Stock Exchange, and a member of the board of KLEPIERRE, a European specialist in shopping centers traded on the Paris Stock Exchange. Since June, 2018 she holds the office of deputy chairperson of HURRIYET, a major Turkish newspaper traded on that country's stock exchange. Ms. Beatrice de Clermont Tonnerre received the honorary title of Chevalier dans l'Ordre National du Mérite from France.</p>
<p>MS. MARIA TERESA BALLESTER FORNES</p>	<p>Graduated Cum Laude in Finance and Political Science from Boston College and holds an MBA from Columbia University in New York City.</p> <p>Her career began at GTE Corporation (Verizon) in the United States as a financial executive, later joining the consulting firm Booz, Allen & Hamilton as a strategy consultant for leading multinationals in Mexico, United Kingdom, Spain and Portugal.</p> <p>She has been CEO of 3i in Spain, where she developed extensive experience in the international private equity sector, leading many investments and divestments, and participating in the recruitment process of institutional investors for global funds promoted by 3i. He has also led numerous refinancing operations, IPOs and has wide-ranging experience on boards of directors of several companies, both listed and non-listed.</p>

	<p>Between 2014 and January 2017 Ms. Ballester provided services to EY as external advisor of the Transaction Services (TAS) Division. She is currently the founder and Managing Partner of the private equity fund Nexxus Iberia I.</p> <p>Ms. Ballester was also President of the Spanish Private Equity Association (ASCRI) during 2010-2012 and is currently a Director of Repsol and member of the Audit committee and Remuneration Committee</p> <p>Member of the “Circulo de Empresarios”, the Directors’ Institute (ICA) and Women Corporate Directors (WCD), Member of the International Women's Forum (IWF) and frequently participates as a speaker at business schools and professional associations.</p>
MR. JAVIER DE JAIME GUIJARRO	<p>He has a degree in Law and managing partner of CVC Capital Partners; he worked for seven years for the British company 3i, two of which he spent in the UK before spending an additional five years with the company in Spain.</p> <p>In September 1997 Javier de Jaime joined CVC to oversee the Spanish market, which has become one of CVC’s most active markets. In 2003, he was appointed managing partner of the firm, and since 2008 he has also been in charge of CVC’s Italian market.</p> <p>He holds a law degree from the Universidad Pontificia de Comillas (ICADE) and an MBA from the University of Houston.</p>
MR. JAVIER SANTISO GUIMARAS	<p>Javier Santiso is CEO and General Partner of Mundi Ventures, a venture capital fund (200 million euros) with offices in Madrid, Barcelona, London and Tel Aviv. He is an investor in European tech unicorns such as Farfetch and Skyscanner in the UK and Auto1 and Wefox in Berlin.</p> <p>He is a member of the board of directors of the Paris-based multinational FNAC Darty. Previously, he served as chief economist at Indosuez (Paris) and BBVA (Madrid) and as Director of the OECD and Chief Economist at the OECD Development Center. He oversaw corporate transformation at the Amerigo venture capital fund, which he founded, at Telefónica. He has also served as CEO in Europe of Khazanah, Malaysia's sovereign wealth fund (US\$50 billion) and as its global head of technology investments. Khazanah has invested in a dozen unicorns, including Alibaba in China and Palantir in the United States.</p> <p>Santiso is an avid art collector and is a patron of culture. He is the founder of the art and poetry publishing house La Cama Sol www.lacamasol.com, and works with artists such as Lita Cabellut, Etel Adnan, Soledad Sevilla, Anselm Kiefer, Jaume Plensa, Miquel Barceló, Rafael Canogar, Carlos León, César Galicia, Juan Uslé, Jerónimo Elespe, and writers such as Joan Margarit, Pere Gimferrer, Christian Bobin, Tahar Ben Jelloun, Pascal Quignard. He has published a dozen books, the most recent being the novel Vivir con el corazón (Living with the heart) (Madrid, La Huerta Grande, 2021) and Un sol de pulpa oscura (A sun of dark pulp) (Madrid, Franz Ediciones, 2020) with the Iranian artist Shirin Salehi.</p>
MR ROSAURO VARO RODRIGUEZ	<p>Rosauro Varo has a degree in Law from the University of Seville and has been successfully forging a career in business and entrepreneurship for 20 years. He now oversees his range of business initiatives through GAT Inversiones, of which he is Chair. He is also currently a member of the Board of Directors of the business association Círculo de Empresarios del Sur de España (CESUR). Varo was previously deputy chair of the telecommunications company PepePhone and a member of various Boards of Directors, including El León de El Español Publicaciones, SA, the publishing company behind digital newspaper El Español and the business and finance portal Invertia. He’s a lecturer for the Masters in Finance and Banking at the Pablo Olavide University of Seville and the Senior Management Program of Leading Companies and Institutions of the San Telmo Business School, where he addresses subjects such as business mergers and acquisitions as well as the digital economy.</p>

	He channels his social commitment through the ALALÁ Foundation, which sets the standard for the development of social integration projects for the disadvantaged in southern Spain.
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Number of independent directors	6
Percentage of the Board	50%

Remarks
Sections A.6 and C.1.11 provide information on the directors' relationships with significant shareholders and on other of their professional occupations.

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	
Description of the relationship	
Statement	

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile

Total number of other external directors	0
Percentage of the Board	0.00%

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				Percentage of the total number of directors in each category			
	Year 2020	Year 2019	Year 2018	Year 2017	Year 2020	Year 2019	Year 2018	Year 2017
Executive	0	0	0	0	0.00	0.00	0.00	0.00
Proprietary	0	0	0	0	0.00	0.00	0.00	0.00
Independent	2	3	1	1	33.33	42.85	20.00	16.66
Other External	0	0	0	0	0.00	0.00	0.00	0.00
Total:	2	3	1	1	16.66	23.08	7.69	7.14

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

YES

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved
<p>The Company's Board of Directors Regulation provides that the Board shall ensure that the procedures for selecting its members promote diversity of knowledge, experience, origin, age and gender, and do not reflect implicit biases that might result in any type of discrimination. The Company likewise has a Policy on Diversity of the Board of Directors and Director Selection, which was amended in November 2020, principally to adapt it to the recommendations of the Code of Good Governance for Listed Companies ("CBG") that the CNMV approved in June 2020, and that contain the following objectives:</p> <ul style="list-style-type: none"> i) The director selection or reelection process intends to achieve an appropriate balance and diverse composition of the Board of Directors as a whole. ii) In its broadest sense, the principle of diversity in the composition of the the Board of Directors implies seeking persons fulfilling the defined requisites as to qualifications and personal and professional integrity, and capacity and compatability, and whose appointment will favor a diversity of knowledge, experience, origin, age and gender on the Board. iii) In matters of gender diversity and pursuant to the provisions of CBG recommendations 14 and 15: (i) efforts will be made to ensure that the there is a significant number of women in the Company's senior management, and (ii) the objective is to ensure that prior to the end of 2022 and beyond, women will represent at least 40% of the total members of the Board of Directors, while previously not being less than 30%. <p>In 2020, and upon the advice and with reports from the Appointments, Compensation and</p>

Corporate Governance Committee (CNRGC), the Board of Directors assessed the requisites and skills required on the Board, which provided a starting point for the processes that led to the reelection of the directors and the selection of new director candidates (taking into account their compatibility with the board skills matrix prepared by the CNRGC). Bias was avoided in those processes and, in the company's best interest, merit was the principal selection criterion for identifying the most qualified candidates.

The application and implementation of the Company's diversity policies and objectives must be conducted within the framework determined by the present composition of the Board:

- Of the current twelve directors, the only executive (the CEO) was appointed in 2017 and it is in the Company's interest that he remain in this post for the medium and even the long term.
- Five directors are proprietary directors representing four significant shareholders who appoint them based on their own considerations about which the Board can make recommendations, but not exercise decisive influence.
- Thus, the CNRGC and the Board can actually only directly apply the aforementioned policies to the other six independent directors.

The following sections C.1.6 and C.1.7. detail the results of the CNRGC's assessment of the application of the Board's diversity policies, particularly with regard to gender diversity.

In other respects, regarding the Company's management team, it is understood that senior management includes: the members of the Business Management Committee who are not Prisa executive directors but rather work under employment contracts with Prisa or other group companies, the managers who habitually attend meetings of that Committee, and Prisa's Director of Internal Audits.

Senior management is composed of ten directors, two of whom are women (the Director of Human Resources and Talent Management and the Director of Internal Audits). The profiles of senior managers reflect diversity with respect to age, education, experience and professional qualifications, and at least a third of them have postgraduate training in prestigious institutions in both Europe and the United States, together with the fact that at least half of the executives have had a solid professional career abroad. The ages of senior managers range from the most veteran who is 73 years old to the youngest executive who is 39. This ensures a balance between the maturity, broad experience and market knowledge of the older directors and the addition of new skills provided by the younger executives, all of whom work together to adapt our business to its current environment.

Likewise, among the 23 key managers, four are women (the two mentioned above, plus the Director of Prisa News Operations and the Director of Digital Development). All of them have diverse profiles with regard to age, education, experience and professional qualifications.

There are no disabled persons among the personnel in our management bodies, although internal human resources policies guarantee that disability would not be an impediment to seeking a senior management position.

C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of means

As previously indicated in section C.1.5 above, the principles and objectives of the Company's Policy on Diversity of the Board of Directors and Director Selection include, among others, achieving greater representation of women on the Board of Directors and encouraging the Company to have a significant number of women among senior management.

Diversity has been a guiding criterion with regard to the composition of the Board of Directors. As 2020 commenced, the CNRGC intended to implement a plan to identify female candidates and to give them preference when proposing the appointment of new non-proprietary external directors to cover vacancies that might arise on the Board. The results of that project are explained in greater detail in the next section.

The Company's Board of Directors is composed of twelve directors. Until December 2020 the Company had three women directors, who represented 25% of the total board members. However, after Ms. Sonia Dulá's resignation on December 18, 2020, the number of female directors was reduced to two (Ms. Beatriz de Clermont-Tonerre and Ms. María Teresa Ballester) and, thus, at the closing of the 2020 fiscal year the women directors represented 16.66% of the total board members.

However, it is noted that in February 2021 the director Mr. Javier de Jaime Guijarro resigned, in addition to professional reasons and lack of availability, due to his desire to improve gender diversity on the Board of Directors of PRISA, which would facilitate leaving a vacant vacancy on the Board. To fill this vacancy, the Board has appointed Ms. Pepita Marín Rey-Stolle as a director, by co-option, so that the representation of women on the board has risen to 25%.

The two female directors maintain a notable presence on company bodies. Ms. Beatriz de Clermont-Tonerre is the Coordinating Director, Chairperson of the CNRGC, and a member of the Delegated Committee, while Ms. María Teresa Ballester is a member of the Audit, Risk and Compliance Committee.

If there are still few or no female directors, despite the measures that may have been taken, if applicable, explain the justifying reasons:

Explanation of means

At the extraordinary shareholders meeting held in January 2020, the interim appointment of Ms. María Teresa Ballester was approved. However, subsequent to this appointment, a series of circumstances have arisen that have hindered the incorporation of a larger number of female directors on the Board:

i) Coinciding with the annual shareholders meeting held in June 2020, the directorships of several board members expired. After the Appointments, Compensation and Corporate Governance Committee (CNRGC) analyzed and evaluated their reelection or replacement, it was decided that it was in the Company's best interest to propose that the shareholders: i) reduce the number of directors from 13 to 12 (taking into account that one of the directors declined to be reelected) and ii) to reelect the other directors whose terms were expiring (which included a woman, Ms. Sonia Dulá).

It should be noted in that regard that in early 2020 the Company had commenced a process to identify female candidates for directorships. However, the COVID-19 public health crisis has prompted serious and exceptionally unprecedented circumstances, particularly in Spain where the declaration of successive states of emergency (implementing, among others, measures restricting freedom of circulation and assembly) has greatly hindered certain business activities and prevented the Company from advancing and duly completing the process to identify and select potential women candidates for the Board as planned, prior to the annual shareholders meeting in June 2020 when the directorships of eight board members expired.

Thus, in the process of reelecting or replacing the board members whose directorships expired in June, the corresponding suitability assessments were made based on the matrix of skills

required of board members, taking into account both the results of the Board's 2019 evaluation as well as the Company's circumstances at that time, all of which made the reelection of those directors advisable, in order to continue the work and actions of the Board then underway, as well as to ensure the increased effectivity of its functions and the contribution of its members.

Likewise, and in the case of proprietary directors, it should be noted that proposals for their reelection were made by the shareholders they represent who hold significant interests in company capital.

For all of the above, the biographies, experience and professional careers of the directors to be reelected or appointed were assessed and evaluated, and their conformity with the skills matrix approved by the CNRGC was taken into account. Special attention was likewise afforded their previous devotion and performance on the Board. When the shareholders meeting was announced, the requisite reports prepared by the Board of Directors and the CNRGC justifying their proposals were made available to shareholders.

These decisions were ratified by shareholders at the annual shareholders meeting held on June 29, 2020.

ii) At the extraordinary shareholders meeting held on December 18, 2020 the removal of Mr. Javier Monzón de Cáceres was approved and, as indicated previously, Ms. Sonia Dulá presented her resignation as board member on that same date.

At that time, it was deemed appropriate to initiate an evaluation to appoint two new directors to fill those vacancies, to ensure the normal functioning of the Company's management bodies. An analysis was made of the Board's needs, taking into consideration the matrix of skills required of directors, and only four days later on December 22, 2020 and at the CNRGC's proposal, the Board of Directors approved the interim appointment of two independent directors.

With such short notice, no appropriate women candidates were found and, moreover, in view of the circumstances and given that the candidates were qualified, there was no substantial reason for not appointing them to the vacant directorships.

For the reasons set forth above, it has not been possible to include additional women on the Board during 2020 and, thus, the degree of gender diversity is insufficient and the objective to have at least 30% female directors on the Board in 2020 could not be achieved.

Both the CNRGC and the Board have indicated that resolving the lack of gender diversity on the Board of Directors will thus be a future priority. The required measures will have to be taken to comply with the CNMV's new objective (expressly included in the Policy) for women to hold at least 40% of board directorships before the end of 2022 and beyond, the prior figure having been set at a minimum of 30%. There will also have to be support for hiring a greater number of female managers.

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

The CNRGC's analysis and review concluded that the present composition of the Board of Directors is reasonably diverse with regard to the directors' knowledge, experience, origin and age, having an overall positive balance, but the same cannot be said concerning gender diversity. In effect, the CNRGC verified that during 2020 the principles, objectives and procedures provided for in the Policy on Diversity of the Board of Directors and Director Selection were taken into account in proposals for the appointment and reelection of directors, as well as for election to other posts, without prejudice to the reservations made regarding gender diversity.

The specific analysis of the situation of the most relevant of these factors is summarized below:

- As for knowledge and experience, nature of Prisa's business requires that the Board as a whole possess skills in a variety of principal areas, such as: global entrepreneurial experience; knowledge of the group's or related sectors of activity; transformation processes, with particular attention to technological and digital impacts; experience and knowledge of international markets in general and Latin America in particular; executive and talent management; finance and control and, finally, experience in corporate governance.

All of these are sufficiently represented on the Board and each and every director has significant skills in several of them, as evidenced in the biographical notes on each one available in section C.1.3 above.

For the appointment of the two new directors (Mr. Javier Santiso and Mr. Rosauro Varo), the Board of Directors considered the skills matrix for board members, especially taking into consideration the following: regarding Mr. Santiso, his financial and executive experience, as well as his entrepreneurial profile, his international experience, and his knowledge of the cultural world; regarding Mr. Varo, his digital and entrepreneurial profile, as well as his experience in the technology and communications media sectors.

- Concerning geographical diversity, there are five foreign directors with citizenship and residence in three continents.
- As for age, the directors' ages range from 41 to 70 años, with an average of 54.

Thus, in the indicated areas the above merits a favorable assessment.

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

NO

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director	Brief description
MR MANUEL MIRAT SANTIAGO	He has been delegated all powers of the Board of Directors except those that cannot be delegated by law.
DELEGATED COMMISSION	It has been delegated all powers of the Board of Directors except those that cannot be delegated by law. Notwithstanding the Board of Directors Regulation provides that, when duly justified urgent circumstances arise and the law permits it, the Delegated Commission, or any other authorized committee, may adopt resolutions related to the matters referred to in section 5.3 of the Regulations, which shall be confirmed in the first meeting of the Board of Directors held after they are adopted.

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Director's Name	Name of the Group Company	Position	Does he/she has executive functions?
MANUEL MIRAT SANTIAGO	PRISA RADIO, S.A.	DIRECTOR	NO
MANUEL MIRAT SANTIAGO	DIARIO EL PAIS, S.L.U	CHAIRMAN	NO
MANUEL MIRAT SANTIAGO	PRISA NOTICIAS, S.L.U.	DIRECTOR	YES
MANUEL MIRAT SANTIAGO	VERTIX, SGPS, S.A.	CHAIRMAN	NO
MANUEL POLANCO MORENO	PRISA RADIO, S.A.	CHAIRMAN	NO
MANUEL POLANCO MORENO	GRUPO SANTILLANA EDUCACION GLOBAL, S.L.U	CHAIRMAN	NO
MANUEL POLANCO MORENO	DIARIO EL PAIS, S.L.U	DIRECTOR	NO
MANUEL POLANCO MORENO	PRISA NOTICIAS, S.L.U.	CHAIRMAN	NO

Remarks
Mr Manuel Mirat represents Promotora de Informaciones, S.A. as: <ul style="list-style-type: none"> i. Sole Director of: Prisa Participadas, S.L.U, Prisa Media SLU, Prisa Activos Radiofónicos SLU, Prisa Gestión Financiera, S.L.U. ii. Director of Grupo Santillana Educación Global S.L.U. iii. Liquidator of Promotora de Actividades América 2010 SL en liquidación.

C.1.11 List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Director's Name	Name of Listed Company	Position
DOMINIQUE D'HINNIN	EDENRED	DIRECTOR
DOMINIQUE D'HINNIN	TECHNICOLOR	DIRECTOR
DOMINIQUE D'HINNIN	EUTELSAT COMMUNICATION	CHAIRMAN
DOMINIQUE D'HINNIN	GOLDEN FACTOR	DIRECTOR
KHALID BIN THANI BIN ABDULLAH AL THANI	EZDAN HOLDING GROUP	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL THANI	QUATAR INTERNATIONAL ISLAMIC BANK	CHAIRMAN
MARIA TERESA BALLESTER FORNES	REPSOL, S.A.	DIRECTOR
BEATRICE DE CLERMONT- TONERRE	KLEPIERRE	DIRECTOR
BEATRICE DE CLERMONT- TONERRE	SES	DIRECTOR
JAVIER SANTISO GUIMARAS	FNAC DARTY	DIRECTOR

Remarks
Director Mr Javier de Jaime represents Theatre Directorship Service Beta, S.A.R.L. on the Board of Directors of Deoleo, S.A.

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

YES

Explanation of the rules and identification of the document where this is regulated
<p>Article 11 of the Board Regulations provides that regarding the number of other boards of which they may be members, the general rule shall be that directors may not be members of so many other boards that it prevents or hinders them from dedicating the proper amount of time to their position as Company director. In this regard, the Company directors shall comply with the following restrictions:</p> <ul style="list-style-type: none"> (i) Executive directors may hold administrative posts at other companies, provided that they do not perform executive duties at any of them. (ii) Non-executive directors may hold administrative posts at six other companies, provided they do not perform executive duties at any of them. However, they may only hold administrative posts at two other companies if they perform executive functions in one of them. Those who perform executive functions at two or more companies may not be non-executive directors of the Company. <p>For purposes of paragraphs (i) and (ii) above, (a) only companies whose shares are admitted to trading on stock exchanges or alternative markets, domestic or foreign, and others that require an equal commitment, shall be taken into account; and (b) all the management bodies of companies that belong to the same group shall be treated as a single administrative body, as well as those that partly consist of proprietary directors proposed by any company of the group, although a stake in the capital or degree of control of the company does not allow it to be considered a member of the group.</p> <p>Notwithstanding these restrictions, the Board shall assess the personal and professional circumstances of the director in each case, particularly the case of proprietary directors. As an exception in duly justified cases, the Board of Directors may exempt the director from these restrictions.</p>

C.1.13. State total remuneration received by the Board of Directors

Board remuneration in financial year (thousand euros)	2,242
Amount of vested pension interests for current members (thousand euros)	0
Amount of vested pension interests for former members (thousand euros)	0

Remarks
i) The amount of the total directors' remuneration is the amount accrued in 2020 following

the accrual criterion specified in CNMV Circular 1/2020/ (which sets out the template for the annual directors' report of listed public limited companies) and differs by 354 thousand euros from the total amount of directors' remuneration recorded in the Notes to the consolidated financial statements and the semi-annual financial statements for 2020 (2,596 thousand euros), which reflects the accounting records. The difference breaks down as follows:

- In relation to the annual variable remuneration of the CEO: a negative amount (- 223 thousand euros) has been recorded at the year en 2020. As stated in the remuneration report, the CEO has voluntarily renounced to receive, in relation to the financial year 2020, the annual variable remuneration
- In relation to the Medium Term Incentive Plan for the period 2018/2020: this plan has not yet accrued and vested, without prejudice to the amounts included as expenses in the profit and loss account (77 thousand euros).
- In relation to the extraordinary bonuses for the CEO of Prisa and for certain managers, linked to the success of two important strategic transactions, namely the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors, the 2020 accounts include expenses for a total of 1,000,000 euros for this item in relation to Prisa's CEO. Nevertheless, this report only shows, as the amount accrued in 2020, 50% of that sum (€500,000).

ii) The overall remuneration of the Board of Directors includes that of Mr. Javier Gómez-Navarro up to the time of his cessation as a director on June 29, 2020 (once expired the term for which he was appointed), and that of Mr. Javier Monzón de Cáceres and Ms. Sonia Dulá, up to the time of their cessation and resignation as directors, respectively, on December 18, 2020. It is also included the remuneration of Mr Javier Santiso and Mr. Rosauro Varo from their appointment as directors on December 22, 2020.

iii) The remuneration shown in the above table therefore coincides with that stated in the directors' remuneration report, to which we refer for further explanations.

C.1.14 Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
XAVIER PUJOL TOBEÑA	SECRETARY GENERAL AND SECRETARY OF THE BOARD
GUILLERMO DE JUANES MONTMETERME	CFO
JORGE BUJIA FEAL	DIRECTOR OF RISK CONTROL AND MANAGEMENT CONTROL
JORGE RIVERA	CHIEF OF COMMUNICATION AND INSTITUTIONAL RELATIONS
AUGUSTO DELKADER	CHIEF EDITOR
MARTA BRETOS	HEAD OF TALENT MANAGEMENT
MIGUEL ANGEL CAYUELA SEBASTIAN	CEO OF GRUPO SANTILLANA
PEDRO GARCÍA GUILLÉN	CEO PRISA RADIO
ALEJANDRO MARTÍNEZ PEÓN	CEO OF PRISA NOTICIAS
VIRGINIA FERNANDEZ IRIBARNEGARAY	INTERNAL AUDIT DIRECTOR

Number of women in senior management	2
Percentage of total senior management	20%

Total senior management remuneration (thousand euros)	3,854
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Remarks
<p>i) The above remuneration relates to the members of the Management Committee who are not executive directors of PRISA and who have an employment relationship with PRISA or other Group companies; the managers who regularly attend the committee's meetings; and PRISA's internal audit director. Likewise, it has been included the remuneration of Mr. Luis Cabral, former CEO of Media Capital, until June 2020. Prisa has sold its stake in Media Capital, in fiscal year 2020.</p> <p>ii) This total remuneration is the amount accrued in 2020 following the accrual criterion specified in CNMV Circular 2018/2 (which sets out the template for the annual corporate governance report of listed public limited companies) and differs by 526 thousand euros from the amount of remuneration shown in the Consolidated Financial Statements and Semi-annual Financial Information for 2020 (4,380 thousand euros), which relates to the accounting provision. The difference breaks down as follows:</p> <ul style="list-style-type: none"> • In relation to the 2020 annual variable compensation of senior management, due to some accounting adjustments. • In relation to the Medium-Term Incentive Plan for the period 2018/2020: this plan has not yet accrued and vested, without prejudice to the amounts included as expenses in the profit and loss account. • In relation to the extraordinary bonuses for the CEO of Prisa and for certain managers, linked to the success of two important strategic transactions, namely the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors, the 2020 accounts reflect accounting expenses that differ from the amounts accrued.

C.1.15 State whether the Board rules were amended during the year:

YES

<p>With the goal of continually updating and reviewing our system of corporate governance and the Company's internal regulations in order to align them with the best corporate governance practices, in 2020 the Company conducted a review and revised our internal regulations, including the Bylaws, Board of Directors Regulation and several internal company policies.</p> <p>The amendments made to the Board of Director Regulation aimed to (i) adjust the Board of Directors Regulations to the amendment of the Bylaws approved by the Ordinary General Shareholders' Meeting held on June 29, 2020, for the purpose of shortening the term of directorships from four to three years; (ii) introduce certain basic provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission on Appointments and Remunerations Committees (<i>Guía Técnica 1/2019 de la Comisión Nacional del Mercado de Valores sobre Comisiones de Nombramientos y Retribuciones</i>); (iii) introduce certain recommendations provided for in the new version of the Spanish Corporate Governance Code for Listed Companies published in June 2020; (iv) to include the novelties introduced in</p>

the Spanish Companies Act introduced by Law 11/2018, of December 28, amending the Spanish Commercial Code, the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010, of July, and Law 22/2015, of July 20, on Account Auditing, regarding non-financial information and diversity, in relation to non-financial information, diversity in the composition of the Board and the non-delegable powers of this body; and (v) include technical adjustments to improve the drafting and interpretation of the Regulations and to complete its content.

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Procedures for the selection, appointment, reelection and removal of directors are regulated by the Bylaws and the Board Regulations and they will be governed by the principles established in the “Policy of diversity in the composition of the Board of Directors and selection of directors”, referred to in section C.1.5. of this Report.

According to the Bylaws, the Board shall have a minimum of five and a maximum of fifteen members. The General Meeting shall establish the number of directors in an express resolution.

In exercising its powers to submit proposals to the General Meeting of Shareholders and co-opt to fill vacancies, the Board of Directors shall ensure that the Board’s composition is such that the external directors represent a large majority of the Board, and that the number of independent directors represent at least half of the total Board members and, in any case, a third. The number of the executive directors shall be the minimum necessary, taking into account the complexity of the corporate Group and the share of the executive directors in the Company’s capital.

To establish a reasonable balance between the proprietary directors and the independent directors, the Board shall take into account Company shareholder structure, considering the importance of the shareholdings, in absolute and comparative terms, as well as the degree of permanence and strategic connection with the Company of those shareholders. In any case, the Board shall ensure that the percentage of non-executive directors who are proprietary directors does not exceed the percentage of the Company’s capital represented by those proprietary directors.

Chairman and Vice-Chairman: The Board of Directors shall appoint one of its members Chairman at the proposal of the Nominations, Compensation and Corporate Governance Committee, with the active participation of the Coordinating Director, if one has been named, and may also appoint one or more Vice-Chairmen, who shall substitute the Chairman in case of temporary absence, momentary incapacity, or the specific delegation of the latter, regarding to the functioning of the Board of Directors, and shall have the other powers established in the internal rules of the Company. Provided that the Chairman of the Board is not considered an independent director, the first or sole Vice Chairman, as the case may be, shall be appointed from among the independent directors, with the abstention of the executive directors, assuming the duties of the Coordinating Director or designating him to assume the aforementioned post if he has already been appointed.

Coordinating Director: If the Chairman is not considered an independent director, the Board, on the proposal of the Nominations, Compensation and Corporate Governance Committee, shall appoint, with the abstention of the executive directors, a Coordinating Director from among the independent directors. If a Vice Chairman has been appointed who is considered an independent director and the Chairman of the Board is not, the Vice Chairman shall assume the duties of the Coordinating Director, and if the latter has already been appointed, he shall be designated to the post of Vice Chairman.

Chief Executive Officer: With the favourable vote of two-thirds of its members, and at the

proposal of the Nominations, Compensation and Corporate Governance Committee, the Board of Directors shall appoint a Chief Executive Officer (CEO), giving the latter all of the powers of the Board that are not considered non-delegable powers under the law and the Bylaws. The CEO shall be considered the chief executive of the Company and shall have overall responsibility for its management.

Nominations of directors that the Board of Directors submits to the General Meeting for consideration and the resolutions to appoint them that are adopted by the aforementioned body by virtue of its powers of co-optation under the law shall be preceded by the corresponding proposal in the case of independent directors, or report for other directors, of the Nominations, Compensation and Corporate Governance Committee. Nominations of directors shall always be accompanied by a supporting statement from the Board of Directors. All of the proposals and statements for the appointment of directors shall assess the suitability of the proposed candidates for the position of director, with special attention to their expertise, experience and accomplishments, as well as their ability to commit to the duties that correspond to the position.

Directors shall cease to hold office when the term for which they were appointed expires, or when the General Meeting resolves their termination.

Directors shall serve a term of three years and may be reappointed.

Directors who leave the post before their term expires because they resign, or for another reason by resolution of the General Shareholders Meeting shall explain their reasons for leaving as provided in the Board Regulations.

Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the cases provided in the Board of Directors Regulation (see section C.1.19 of this Report). The Board of Directors shall not propose the termination of any independent director before the statutory term for which the latter was appointed expires, unless the Board determines that there is just cause after a report from the Nominations, Compensation and Corporate Governance Committee.

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

Description of changes
<p>During 2020, a self-assessment was conducted of the composition and work of the Board of Directors and its committees during 2019. The performance of the Chairman of the Board, the CEO, and the Chairmen of the Committees was also assessed.</p> <p>The Nominations, Compensation and Corporate Governance Commission submitted a report to the Board of Directors on the findings of this assessment and the Board approved a proposed plan of action to correct the deficiencies detected. The aspects which received the least positive scores in the 2019 assessment and the action plans implemented in 2020 were as follows:</p> <p>1. Internal regulations:</p> <p>A regular review was recommended of issues related to the composition and functioning of the Board and committees in response to new legislation and better corporate governance practices.</p> <p>In 2020, therefore, in line with its aim of constantly updating and reviewing its corporate governance system and internal regulations, the Company carried out the review and update of its internal regulation (including its Bylaws, the Regulations of the Board of Directors and a range of internal policies).</p> <p>In particular, the following measures were adopted:</p>

- i. Decrease in the size of the Board (from 13 to 12 directors).
- ii. Reduction of the term of the director position (from 4 to 3 years).
- iii. Introduce certain recommendations provided for in the new version of the Spanish Corporate Governance Code for Listed Companies published in June 2020, certain basic provisions of Technical Guide CNMV and the novelties introduced in the Spanish Companies Act introduced by Law 11/2018, regarding non-financial information and diversity.

2. The composition of the Board of Directors:

In 2020 the Company was not able to address the lack of gender diversity in the composition of the Board of Directors for the reasons detailed in section C.1.6 of this report.

Nevertheless, the Company has drawn up a skills matrix for the Board, which was taken into account in the process of reelecting and appointing Directors during the year. The two new directors appointed to the Board in 2020, Mr. Javier Santiso Guimaras and Mr. Rosauro Varo Rodríguez, have professional profiles and experience that fit the Board's skills matrix, contributing the required professional and personal skills, in particular in the areas of digital transformation, entrepreneurship, generational renewal and active involvement in the cultural sector.

3. Functioning of the Board of Directors:

Based on the results of the assessment, the meetings of the Board and committees have focused more strongly on strategic matters such as monitoring risks, they have been attended more frequently by senior managers to report on their areas of responsibility, and improvements have been made to the information prepared for meetings (providing directors with executive summaries on key presentations).

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas
<p>Board of Directors Regulations regulates the evaluation process and areas that should be assessed, as follows:</p> <p>1. Each year, the Board of Directors shall hold specific meetings to evaluate:</p> <p>(i) The quality and efficiency of the Board's function and the quality of the work, as well as diversity in its composition and skills, based on a report submitted by the Nominations, Compensation and Corporate Governance Committee;</p> <p>(ii) The performance of the duties of the Chairman of the Board of Directors and the CEO of the Company (at the same or in separate meetings), based on a report submitted by the Nominations, Compensation and Corporate Governance Committee;</p> <p>(iii) The function and composition of the Committees, based on the report that each of the latter submits to it; and</p> <p>(iv) The performance and contribution of the directors, paying special attention to the directors chairing the various Board Committees.</p> <p>2. The Chairman of the Board of Directors shall organize and coordinate the aforementioned evaluation process, except as it applies to him, along with the chairmen of the</p>

Audit, Risks and Compliance and the Nominations, Compensation and Corporate Governance Committees, as well as the Coordinating Director, if one is appointed. The evaluation of the Chairman shall be organized by the Coordinating Director or, in the absence thereof, the Chairman of the Nominations, Compensation and Corporate Governance Committee.

3. The Chairman of the Board and the Chief Executive Officer will be absent during the debates corresponding to their respective evaluations. In the Chairman's absence, the Board — and, where appropriate, the respective Committee— shall be chaired by the Vice-Chairman, and in the latter's absences, by the Coordinating Director; and in his absence, by the Chairman of the Nominations, Compensation and Corporate Governance Committee.

4. Based on the results of the annual evaluation, the Board of Directors shall propose the appropriate actions to remedy the problems identified and promote improvements.

Regarding the self-evaluation for 2019 (performed in 2020) and in accordance with the Board of Directors Regulations, the Board Chairman at that time, Javier Monzón de Cáceres, together with the chairmen of the Commissions, organised and co-ordinated said self-evaluation process. The areas evaluated were those set out in the Board of Directors Regulations, except concerning the Board members' individual contributions and performance.

The Company's coordinating director Beatriz de Clermont-Tonerre was not appointed to that post until December 2020, so she will not perform that function until the evaluation of the 2020 fiscal year is conducted in 2021.

Likewise, in the 2019 evaluation, for the first time the Company was assisted by an independent outside advisor (KPMG).

Based on the results of the annual evaluation (compiled from responses from questionnaires submitted to the directors) and a report and proposals from the Appointments, Compensation and Corporate Governance Committee, the Board of Directors with the external advice of KPMG approved an action plan to correct the deficiencies detected and implement improvements (which were described in the previous section).

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

For the first time and for the 2019 evaluation (conducted in 2020) the Company had the assistance of an outside independent advisor (KPMG).

During 2020 KPMG provided various consulting services to other Grupo PRISA companies (in the sense of article 42 of the Commercial Code), for a total of €1,839,487, although the Company doesn't deem it necessary to provide a detail of those services.

C.1.19 State the situations in which directors are required to resign.

Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the following cases:

- i. If, due to unforeseen circumstances, they have incurred in any of the situations of incompatibility or prohibition or grounds for termination, as defined in the law.
- ii. If, events or conduct attributable to the director result in – or in the Board's judgement could result in – serious harm to the equity or reputation of the Company, or there is a risk of criminal liability for the Company or one of the companies of the Group.
- iii. If they consider themselves to have been significantly harmed in terms of the reputation, suitability, solvency, competency, availability or commitment necessary to

- be a director of the Company. Particularly when the activities of the director or the companies it controls, directly or indirectly, or the individuals or legal entities who are shareholders or associated with any of them, or the person representing a director that is a legal entity, could compromise their suitability.
- iv. If they are seriously reprimanded by a resolution adopted by two-thirds of the Board of Directors for having breached their obligations as directors.
 - v. When the reasons for which they were appointed disappear, particularly in the case of proprietary directors, when the shareholder or shareholders that proposed, required or designated their appointment, sell or transfer all or part of their stake so that it is no longer significant or sufficient enough to justify the appointment.
 - vi. If an independent director incurs in any of the circumstances that prevent the latter from being considered as such, pursuant to the provisions of the law.
 - vii. If the Board considers that the number of times that the director has missed meetings of the Board, and the Committees on which the latter serves, to be high.

In all events, the director shall inform the Board and, if necessary, resign when situations arise that affect him, related or not to their actions within the Company, provided that they may harm its credit and reputation.

In particular, all directors shall inform the Board of Directors, via the Secretary of the Board of Directors, in the event they are under investigation, will be prosecuted or indicted in a criminal proceeding for any offence, and about any important milestones in such proceedings.

The Board of Directors, once informed or been aware otherwise of any of the aforementioned circumstances, shall review the case as soon as possible and, attending to the particular circumstances, shall resolve, following a report by the Nominations, Compensation and Corporate Governance Committee, whether or not to adopt any measures it deems to be in the Company's interest, such as opening an internal investigation, calling on the director to resign or proposing his or her dismissal. The Board of Directors shall disclose this in the Annual Report of Corporate Governance, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company shall disclose, if appropriate, at the time it adopts the corresponding measures.

In the cases described above, the Board of Directors may require the resignation of the director and recommend the latter's termination to the General Shareholders Meeting.

If, in the cases described in paragraphs v) and vi) above, after a report from the Nominations, Compensation and Corporate Governance Committee, the Board of Directors considers that there are justified grounds for the director to stay, it shall review the latter's classification, taking into account the new circumstances that have arisen.

The cases described above shall also apply to the person representing a director who is a legal entity.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

NO

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

NO

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

NO

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

NO

C.1.24 State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Article 20 of the Company Bylaws and Article 20 of the Board Regulations provide that if it is impossible for them to attend board meetings, they will appoint another director as proxy. In that regard, proxies must be in writing, specifically for the meeting in question and instructing to the representative about the sense of any vote. Non-executive directors can only delegate their representation to other non-executive directors. Representation cannot be delegated on matters in which the director has a conflict of interest.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	14
Number of Board meetings without the chairman	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Remarks
The lead director was appointed on December 22, 2020.

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Delegated Commission	15
Number of meetings held by the Audit, Risks and Compliance Commission	8
Number of Meetings held by the Appointments, Remuneration and Corporate Governance Commission	12

C.1.26 State the number of meetings held by the Board of Directors during the year and the details of attendance:

Number of meetings attended by at least 80% of the directors	10
---	----

% of attendance over total votes during the year	86.78%
Number of meetings in situ or representations made with specific instructions of all directors	12
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	98.85%

Remarks
Attendance is deemed to include attendance in person, by telephone and by videoconference.

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

YES

Identify, where applicable, the persons who certified the company's individual and consolidated annual accounts for approval by the Board:
MANUEL MIRAT SANTIAGO (CEO)
GUILLERMO DE JUANES MONTMERTE (CFO)

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Regulations of the Board of Directors (articles 27 and 43) establish that:
<ul style="list-style-type: none"> i. It is the responsibility of the Audit, Risks and Compliance Committee to ensure that the annual accounts that the Board of Directors submits to the General Shareholders Meeting are drawn up in accordance to accounting legislation. In those cases where the auditor includes any qualification in its audit report, the Chairman of the Audit, Risks and Compliance Committee shall clearly explain at the general meeting the opinion of the Audit, Risks and Compliance Committee regarding its scope and content, and a summary of that opinion shall be made available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board. ii. The Board shall do its best to submit the annual financial statements to the General Meeting without reservations or qualifications in the audit report. If these exist, the Board shall ask the external auditors to clearly explain them to the shareholders at the Ordinary General Meeting.

C.1.29 Is the secretary of the Board also a director?

NO

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

Name of the secretary	Representative
XAVIER PUJOL TOBEÑA	

C.1.30. State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

The Board of Directors Regulations provides that the relationship with the external auditors shall be channelled through the Audit, Risks and Compliance Committee, which, among other responsibilities, will have the following:

- i. Should the external auditor resign, to examine the circumstances that led to the resignation;
- ii. To ensure that the remuneration of the external auditor does not compromise the auditor's quality or independence;
- iii. To ensure that the Companies reports the change of auditor to the National Securities Market Commission and includes a statement on the existence of any disputes with the outgoing auditor, and their substance, if they exist;
- iv. To maintain fluid communication with the external auditor and ensure that the latter holds an annual meeting with the full Board of Directors to inform it about the work performed and about developments with the accounting situation, assets and financial situation, and the risks to the Company;
- v. To ensure that the Company and the external auditor comply with the applicable regulations on the provision of non-auditing services, restrictions on the concentration of the auditing business and, other general regulations on the independence of auditors.

In Addition, the Audit, Risks and Compliance Committee shall be responsible for the procedure for proposing the auditor, which shall take into account factors such as the scope of the works to perform, the training, experience and resources of the auditing team, and the auditor's signature, the fees, and its independence, and the effectiveness and quality of the services it provides.

Under art. 529 *quaterdecies* of the Capital Companies Act, the Audit, Risks and Compliance Committee also has the following tasks for preserving the auditors' independence:

- i. Establish relations with the external auditor in order to receive information, for examination by the Committee, on any matters that may entail a threat to the auditor's independence and on any other matters concerning the audit; where necessary, authorise any permitted services, as provided by the Spanish Audit Act in relation to auditor independence; and receive any other communications provided for in auditing legislation and standards. The committee must receive an annual statement from the external auditors certifying their independence in relation to the Company or entities directly or indirectly related to it, as well as detailed, individualised information about any additional services of any kind provided to, and the fees received from, such entities by the external auditor or by individuals or entities related to it, in accordance with auditing regulations.
- ii. Issue each year, before the auditor's report is issued, a report stating an opinion as to whether the auditor or audit firm's independence is compromised. This report must contain a reasoned assessment of the provision of any of the additional non-audit services referred to in the previous paragraph, considered individually and in the aggregate, in relation to the auditors' independence and compliance with auditing standards.

The Board of Directors Regulations also specify the following safeguards with respect to the external auditor:

- i. The Board shall not award the contract to audit the annual accounts to firms at which there are circumstances that could compromise their independence, pursuant to the criteria defined at any time by applicable legislation.

ii. With the regularly and content defined by the applicable regulations at any time, the Board shall publically disclose the total fees that the Company has paid to the auditing firm for auditing services, and for non-auditing services, providing a breakdown of the fees paid to the external auditors and payments to any other company of their group.

iii. The auditing firm and/or the professional auditor responsible for the work and the members of the external auditing team shall be periodically rotated in accordance with the legally established deadlines at any time and in cases and with the criteria defined, where applicable, by the Board in accordance with a proposal by the Audit, Risks and Compliance Committee.

All the above safeguards are effectively applied by the Company: the Audit, Risks and Compliance Committee proposes the appointment of the external auditor and examines and, where appropriate, approves each specific proposal for the engagement of the external auditor's services in all Group companies, following the established preapproval procedure. This procedure requires that for each service subject to approval by the committee the external auditor must issue a certificate guaranteeing that providing the service does not affect its independence as auditor. The preapproval procedure is updated and approved by the committee each year and is distributed to the Group's business units, which must apply it. The committee also reviews and approves the audit fees of the external auditor and any other firms (which are disclosed in the notes to the financial statements and in the committee's annual activity report) and also reviews and approves any change of audit firm in any Group company.

Likewise, on the occasion of the review and authorisation of the financial statements, the Audit, Risks and Compliance Committee receives from the external auditor written confirmation of its independence with respect to the previous financial year, as well as information about the fees paid to the main auditor and its related parties for other professional services provided to Grupo PRISA companies, in accordance with the provisions of the Audit Act. The committee issues a report in which, in view of the foregoing, it sets out its conclusions regarding the external auditors' independence during the year in question, which is published on the company's web site (www.prisa.com) sufficiently in advance of the annual general meeting of shareholders, in compliance with Recommendation 6 of the CNMV's Unified Code on Good Corporate Governance.

The team responsible for the auditing of Grupo PRISA's accounts also attends various meetings of the committee, as well as the Board of Directors meeting at which the financial statements are authorised for issue, and holds meetings with committee members outside of any committee meeting.

The Company has not established any specific mechanism with respect to financial analysts, investment banks or rating agencies, but verifies their independence and possible conflicts of interest before engaging their services.

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

YES

Outgoing auditor	Incoming auditor
Deloitte	Ernst & Young

Remarks
Considering that Deloitte has been auditing the Company's annual accounts for 29 years without

interruption (until the year 2019, this inclusive), the Audit, Risks and Compliance Commission has conducted a process to select a new external auditor, pursuant to the provisions of current regulations.

After application by several audit firms, the Commission recommended to the Board of Directors the appointment of Ernst & Young (EY) as new auditor of the annual accounts of the Company and its consolidated Group. At the proposal of the Board of Directors, the Ordinary Shareholders Meeting held on June 29, 2020 agreed to appoint EY as the auditors of the Company and its consolidated group, for the term of three years, to audit the financial statements for the years 2020, 2021 and 2022.

If there were any disagreements with the outgoing auditor, please provide an explanation:

NO

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

YES

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	161	214	375
Amount invoiced for non-audit work/Amount for audit work (in %)	64.39%	23.95%	32.82%

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

NO

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	1	1

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	3.30%	3.40%

Remarks
<p>Considering that Deloitte has been auditing the Company's annual accounts for 29 years without interruption (until the year 2019, this inclusive), the Audit, Risks and Compliance Commission has conducted a process to select a new external auditor, pursuant to the provisions of current regulations.</p> <p>After application by several audit firms, the Commission recommended to the Board of Directors the appointment of Ernst & Young (EY) as new auditor of the annual accounts of the Company and its consolidated Group. At the proposal of the Board of Directors, the Ordinary Shareholders Meeting held on June 29, 2020 agreed to appoint EY as the auditors of the Company and its consolidated group, for the term of three years, to audit the financial statements for the years 2020, 2021 and 2022.</p>

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

YES

Explanation of procedure
<p>The Board of Directors Regulations provides the following:</p> <p>i. The schedule of ordinary meetings shall be established by the Board of Directors itself before the start of each financial year. Se prevé asimismo un procedimiento y unos plazos para modificar el calendario y para convocar reuniones extraordinarias.</p> <p>The scheduled meetings shall be formally convened sufficiently in advance, and not later than three calendar days before the meeting, except in the case of urgent meetings, and shall include the agenda, unless there is a justified reason not to. The meeting shall be convened at least four calendar days in advance if a weekend falls between the date on which the meeting is convened and the date set for holding it.</p> <p>Unless the Board meets or has been exceptionally convened for urgent reasons, the notification of the meeting shall include the information necessary for the directors to properly prepare for and deliberate the items on the agenda, and should be accompanied by proposed resolutions related to the items on the agenda requiring a decision of the Board.</p> <p>ii. Likewise, the Directors shall have the duty to demand and the right to seek, with the broadest of powers, the information and advice they need about any aspect of the Company, provided it is necessary for the performance of their duties. The right to information is channelled through the Chairman, who shall respond to requests from directors, directly facilitating the information for them, providing them with the appropriate contact persons or making all the arrangements necessary for the requested inspection.</p> <p>Furthermore, the Chairman of the Board shall ensure, with the Secretary's assistance, that all documents distributed in the meetings of the various Committees is accessible to all of the directors.</p> <p>iii. For help in carrying out their duties, any of the directors may seek to hire, at the Company's expense, legal, accounting, technical, financial, business or other experts. The mandate must involve specific problems of certain relevance and complexity that arise during the performance of the director's duties.</p>

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

YES

Explain the rules
<p>As established in the above section C.1.19, Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the following cases provided in the Board of Directors Regulation:</p> <ul style="list-style-type: none"> i. If, due to unforeseen circumstances, they have incurred in any of the situations of incompatibility or prohibition or grounds for termination, as defined in the law. ii. If, events or conduct attributable to the director result in – or in the Board's judgement could result in – serious harm to the equity or reputation of the Company, or there is a risk of criminal liability for the Company or one of the companies of the Group. iii. If they consider themselves to have been significantly harmed in terms of the reputation, suitability, solvency, competency, availability or commitment necessary to be a director of the Company. Particularly when the activities of the director or the companies it controls, directly or indirectly, or the individuals or legal entities who are shareholders or associated with any of them, or the person representing a director that is a legal entity, could compromise their suitability. iv. If they are seriously reprimanded by a resolution adopted by two-thirds of the Board of Directors for having breached their obligations as directors. v. When the reasons for which they were appointed disappear, particularly in the case of proprietary directors, when the shareholder or shareholders that proposed, required or designated their appointment, sell or transfer all or part of their stake so that it is no longer significant or sufficient enough to justify the appointment. vi. If an independent director incurs in any of the circumstances that prevent the latter from being considered as such, pursuant to the provisions of the law. vii. If the Board considers that the number of times that the director has missed meetings of the Board, and the Committees on which the latter serves, to be high. <p>In all events, the director shall inform the Board and, if necessary, resign when situations arise that affect him, related or not to their actions within the Company, provided that they may harm its credit and reputation.</p> <p>In particular, all directors shall inform the Board of Directors, via the Secretary of the Board of Directors, in the event they are under investigation, will be prosecuted or indicted in a criminal proceeding for any offence, and about any important milestones in such proceedings.</p> <p>The Board of Directors, once informed or been aware otherwise of any of the aforementioned circumstances, shall review the case as soon as possible and, attending to the particular circumstances, shall resolve, following a report by the Nominations, Compensation and Corporate Governance Committee, whether or not to adopt any measures it deems to be in the Company's interest, such as opening an internal investigation, calling on the director to resign or proposing his or her dismissal. The Board of Directors shall disclose this in the Annual Report of Corporate Governance, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company shall disclose, if appropriate, at the time it adopts the</p>

corresponding measures.

In the cases mentioned above, the Board of Directors may require the resignation of the director and recommend the latter's termination to the General Shareholders Meeting.

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

NO

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Refinancing agreement signed by Prisa, HSBC Plc., as agent, and other financial institutions (Override Agreement), in December 2020, and senior financing agreement signed on the same date by Prisa, Global Loan Agency Services Limited, as agent, and Deutsche Bank AG Frankfurt Branch (Super Senior Term and Revolving Facilities Agreement).

Both the refinancing agreement and the senior financing contract include grounds for acceleration, which include the acquisition of control of PRISA (being the "control" defined by the contract as: the acquisition by one or more people acting in concert of more than 30% of the share capital with voting rights).

In the event that such event of default occurs, the debt covered by each of said agreements would be accelerated and its payment would be enforceable from that moment.

C.1.39 Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of Beneficiaries	13
Type of Beneficiaries	As of December 31, 2020, there were the following beneficiaries: Mr Manuel Mirat Santiago (CEO), 7 senior managers and 5 managers of Grupo PRISA other than senior managers.
Description of the agreement:	1. Indemnification for unjustified dismissal: The contracts of Mr. Manuel Mirat Santiago (CEO) and 4 senior managers include a special clause that provides, in general terms, an indemnification for unjustified dismissal by the employer in an amount that ranges from between one year and one and a half years of total remuneration (fixed salary plus, in most cases, the latest variable compensation received). In the case of Mr. Mirat, the indemnification shall be calculated on the annual fixed and variable remuneration in cash at the date of his termination, taking into consideration the fixed remuneration and the target variable compensation set for the financial year of termination. In addition, Mr. Mirat will receive the indemnity stipulated by labor legislation applicable to ordinary

	<p>employment relationships held in abeyance.</p> <p>The commercial contract with 1 senior manager provides that the indemnification, alternatively, will be the greater of the following amount: a year's pay (fixed salary plus the latest variable compensation received) or the one that would have been receivable for an ordinary employment relationship in the event of unjustified dismissal.</p> <p>In addition, the contract of the CEO and 3 of those senior managers will receive compensation equivalent to the maximum unemployment benefit that applies at the time the contractual relationship is terminated.</p> <p>Furthermore, at December 31, 2020, 3 executives of Grupo PRISA (who are not considered part of the Senior Management) had a golden parachute, which will be the higher of the following: the legal indemnity payment provided for in the senior management contract or the indemnity payment to which they are entitled in their previous ordinary employment relationship with the Company. The golden parachute is capped at EUR 1 million.</p> <p>2. Indemnification for other reasons:</p> <p>The contract of one member of senior management provides for an indemnity payment in the event of objective dismissal or termination of the contractual relationship as part of any layoff proceedings for a sum equal to the indemnity payment due in the case of unfair dismissal less 30%.</p> <p>3. Post-contractual noncompetition undertaking:</p> <p>The contract of Mr. Manuel Mirat Santiago (CEO) contain a 6 months post-contractual noncompetition agreement, with compensation equivalent to six months of the last gross fixed salary, payable in equal instalments over the term of the noncompetition agreement.</p> <p>The contracts of 7 members of the senior management likewise provide for a post-contractual noncompetition agreement of between six months and a year, with compensation equivalent to six or 12 months, as the case may have it, of the last gross fixed salary((plus variable compensation in one person's case), payable in equal instalments over the term of the noncompetition agreement.</p> <p>One of the members of senior management has a post-contract noncompetition agreement for one (1) year. Their salary compensation was settled and consolidated during the first two years of service, as established in their employment contract.</p> <p>In addition, 4 executives not considered part of the senior management have a noncompetition agreement of between nine and 12 months with compensation equivalent to six months of their fixed salary (plus their variable compensation in two cases).</p>
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Indicate whether, beyond regulatory requirements, these contracts must be reported to and/or approved by management bodies of the company or of the Group. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	YES	

Are these clauses notified to the General Shareholders' Meeting?	YES
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Remarks
<p>The requirements regarding the approval and notification of the abovementioned contracts are those laid down by the Capital Companies Act, which have also been incorporated in the Company's Board of Directors Regulations:</p> <p>The contracts of executive directors must be approved by a two-thirds majority of the Board of Directors, pursuant to article 249 of the LSC.</p> <p>Additionally, pursuant to articles 529 <i>septdecies</i>, 529 <i>octodecies</i> and 529 <i>novodecies</i> of the LSC, directors' remuneration must be specified in the Directors' Remuneration Policy, which is submitted to the General Meeting of Shareholders for approval, at the proposal of the Board of Directors, backed by a report by the Nominations, Compensation and Corporate Governance Committee (NCCGC).</p> <p>The Directors' Remuneration Policy for 2018, 2019 and 2020 was approved by the Annual General Meeting of Shareholders held in April 2018 and modified by the Annual General Meeting of Shareholders held in June 2019. Subsequently, at the Extraordinary Shareholders' Meeting held on 18 December de 2020, an amended text of the Directors Remuneration Policy for 2020 (complementing and updating the text approved in April 2018 and June 2019) and 2021. This Policy, which includes the abovementioned agreements with the executive director Mr. Manuel Mirat, is published on the website www.prisa.com.</p> <p>Under article 249 <i>bis</i> of the LSC, the Board of Directors also has the following non-delegable powers: i) decisions on directors' remuneration, within the framework of the articles of association and the remuneration policy approved by the General Meeting, and ii) approval of the terms of the contracts of senior managers, all this at the proposal of the NCCGC.</p> <p>Guarantee or lock-in clauses have been approved by the Board of Directors since 1 January 2018.</p> <p>The General Meeting of Shareholders is informed of these clauses to the extent that it approves the Directors' Remuneration Policy and, also, at yearly intervals when the Company publishes its Annual Corporate Governance Report on the occasion of the notice of General Meeting.</p>

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

AUDIT, RISKS AND COMPLIANCE COMMISSION

Name	Post	Category
MR. DOMINIQUE D'HINNIN	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR

AMBER CAPITAL UK LLP	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MS. MARIA TERESA BALLESTER FORNES	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR ROSAURO VARO RODRIGUEZ	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	00.00
% of proprietary directors	25.00
% of independent directors	75.00
% of external directors	00.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Committee shall be formed with a minimum of three and a maximum of five directors (non-executive directors and the majority of them shall be independent directors). Members of the Committee together, and especially its Chairman, shall be selected according to their knowledge and experience on matters of accounting, audits and risk management, both financial and non-financial.

Members of the Committee are appointed or terminated by the Board of Directors based on a recommendation of the Nominations, Compensation and Corporate Governance Committee. The Chairman of the Committee shall be chosen by the Board of Directors, on the recommendation of the Nominations, Compensation and Corporate Governance Committee, from among the members of the Committee who are independent directors.

In addition to the duties assigned to it by law, the Audit, Risks and Compliance Committee also has the following responsibilities:

(i) To ensure that the annual accounts that the Board of Directors submits to the General Shareholders Meeting are drawn up in accordance to accounting legislation. In those cases where the auditor includes any qualification in its audit report, the Chairman of the Audit, Risks and Compliance Committee shall clearly explain at the general meeting the opinion of the Audit, Risks and Compliance Committee regarding its scope and content, and a summary of that opinion shall be made available to the shareholders at the time of the publication of the notice of the meeting.

(ii) To supervise and evaluate the Internal Audit (which shall depend on the Audit, Risks and Compliance Committee for its work), ensure its independence, approve its duties, action plans and resources, and recommend, where appropriate, the recruitment, appointment or termination of its manager, as well as the latter's salary conditions and contractual relationship with the Company, which shall require a favourable report of the Nominations, Compensation and Corporate Governance Committee. The head of the Internal Audit division shall present its annual work plan to the Audit, Risks and Compliance Committee for its approval, and shall inform of its execution.

(iii) To supervise and assess the preparation process and the integrity of the financial and non-financial information, as well as the financial and non-financial risk and management systems—including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption— checking for compliance with regulations, adequate delimitation of the consolidation perimeter and proper application of accounting criteria.

(iv) To channel the contact with the external auditor: should the external auditor resign, to examine the circumstances that led to the resignation; to ensure that the remuneration of the external auditor does not compromise the auditor's quality or independence; ensure that the Companies reports the change of auditor to the National Securities Market Commission and includes a statement on the existence of any disputes with the outgoing auditor, and their substance, if they exist; maintain fluid communication with the external auditor and ensure that the latter holds an annual meeting with the full Board of Directors to inform it about the work performed and about developments with the accounting situation, assets and financial situation, and the risks to the Company; and ensure that the Company and the external auditor comply with the applicable regulations on the independence of auditors.

The Committee shall be responsible for the procedure for proposing the auditor.

(v) To verify compliance with the policies and rules of the Company in the environmental, social and corporate governance areas, as well as the internal rules of conduct of the Company.

(vi) To evaluate the non-financial risks of the Group.

The Committee shall establish and oversee a mechanism that allows employees and other persons related to the Company (such as directors, shareholders, suppliers, contractors or subcontractors) to notify about potentially significant irregularities, including those of financial and accounting nature or otherwise, related to the Company, that may be discovered at the Company. The Committee shall evaluate the control and risks management function and its duly independent management of risks, verifying that appropriate procedures have been introduced so that management, the Committee itself, and the Board can be sure that the control and risk management systems have worked in accordance with the policies and criteria approved by the Board

The Audit, Risks and Compliance Committee shall establish an annual work plan, that includes, at least, the activities provided for in the Board Regulations. The Audit, Risks and Compliance Committee shall meet periodically, according to need, and at least four times a year, and shall prepare an annual report on its activities and shall propose its publication to the Board for the General Shareholders Meeting. Furthermore, the Committee may specifically evaluate its own performance to strengthen its operation and improve planning for the next financial year.

The most important actions of the Audit, Risks and Compliance Committee during 2020 are detailed in the annual report on this Committee's activities, which will be published when the 2021 Ordinary General Meeting is called, on the corporate website www.prisa.com.

However, the following can be cited among the Committee's most relevant activities for the year: i) several matters involving the relationship with the external auditor and the process of selecting a new external auditor, ii) review of the annual accounts, the periodic financial information (quarterly and half-yearly) and the non-financial information statement (EINF), which is included into the consolidated management report, iii) monitoring the efficacy and results of the evaluation of the system for Internal Control over Financial Reporting (ICFR system); iv) review and monitoring the risk map, as well as developing the Risk Management Model (ERM); v) following up on the internal audit projects; vi) analysing of related party transactions; vii) analysis of the impact of certain corporate transactions, as well as the COVID 19 crisis; viii) monitoring the Model for Prevention of Criminal Liability, and ix) assessing compliance with internal company regulations and monitoring regulatory changes.

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

Name of directors with experience	MR. DOMINIQUE D'HINNIN AMBER CAPITAL UK LLP MS. MARIA TERESA BALLESTER FORNES MR. ROSAURO VARO RODRIGUEZ
Date of appointment of the chairperson	20/11/2017

APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMISSION

Name	Post	Category
MS. BEATRICE DE CLERMONT-TONERRE	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MR. JOSEPH OUGHOURLIAN	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR DOMINIQUE D'HINNIN	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR JAVIER SANTISO GUIMARAS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	00.00
% of proprietary directors	25.00
% of independent directors	75.00
% of external directors	00.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Nominations, Compensation and Corporate Governance Committee shall be formed by a minimum of three to a maximum of five non-executive directors, the majority of them independent directors which shall be appointed ensuring that they have adequate knowledge, qualifications and experience for the duties they will be expected to perform and, particularly, in corporate governance issues, strategic analysis and evaluation of human resource, recruitment of directors and managers, performance of senior management functions and design of remuneration policies and plans for directors and senior managers. The Board of Directors shall appoint and terminate members of the Committee pursuant to a recommendation by the Nominations, Compensation and Corporate Governance Committee (the Chairman of the Committee shall be chosen from among the members of the Committee who are independent directors). In addition to the duties it is assigned by law, the Nominations, Compensation and Corporate Governance Committee has the following responsibilities:

i) Composition of the Board of Directors: Verify compliance annually with the board of directors diversity and members selection policy; Analyse the competencies, knowledge and experience required in the board of directors (preparation of a board competency matrix); Make proposals, in the case of independent directors, and inform about the proposals submitted to the Board in the case of other directors, for the appointment, reelection and termination of directors; Make recommendations for classifying directors as executive, proprietary, independent or other external director; Report on the proposals for appointing the individual representatives of legal entities who are directors; Make recommendations and report, together with the Chairman of the Board — except for what specifically refers to the latter — on the appointments of the Chairmen, the Vice-Chairmen, the Coordinating Director, the CEO, the members of the Delegated Committee, and the other Committees of the Board of Directors, as well as their respective Chairmen; Report on the proposals for the appointment of the Secretary and the Vice Secretary; Make recommendations and report, together with the Chairman of the Board — except for what specifically refers to the latter — on proposals for severance, termination or replacement of any post on the Board and its Committees other than the Secretary and Vice-Secretary; Report on the proposals for appointing representatives of the Company on the management bodies of the Companies of the Group; Elaborate the succession plan of the Chairman of the board and of the chief executive officer; Make appropriate recommendations for the Board to conduct proper planning for the orderly renewal and succession of its members.

ii) Senior management of the Group: report on the appointment and severance of senior managers and on the contractual conditions of their relationship with the Company; receive information on disciplinary measures in relation to senior managers; [Supervise the succession plan of senior managers](#);

iii) Remuneration policy for the directors and senior managers: propose to the Board of Directors a policy for the remuneration of the directors and senior managers, and for the individual remuneration and other contractual conditions of the executive directors; verify compliance and periodically review the remunerations policy for directors and senior managers, and guarantee that their individual remuneration is proportional to their level of responsibility and dedication; Inform the Board about the proposals related to the variable terms of remuneration for executive directors and senior managers of the Company, and about the other incentive plans aimed at them and, if applicable, verify the degree of meeting the targets to which they are subject; Prepare the Annual Report on the Remuneration of the directors for its approval by the Board.

iv) Corporate governance system: Promote the Company's corporate governance policies (and report the proposals to amend the internal rules); Propose the approval of the Annual Report on Corporate Governance by the Board of Directors; Prepare a preliminary report on which the Board can base the annual evaluation of its activities; Promote and orientate the policy, internal rules and procedures related to sustainability regarding environmental and social issues; Propose to the Board of Directors the approval of the annual report on sustainability; Supervise the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored; Supervise and evaluate the communication process with the various stakeholders.

The Committee shall establish an annual work plan that includes the activities provided for in the Board Regulations (shall met on a regular basis according to its needs and, at least, three times per year) and shall annually approve a report on its activities. The most important actions of the Nominations and Compensation Committee during 2020 are detailed in the annual report on this Committee's activities, which will be published when the 2021 Ordinary General Meeting is called, on the corporate website www.prisa.com. However, it is worth highlighting the performance of the Committee during the year in the following matters: appointment and re-election of directors, preparation of a matrix of competencies, adaptation of the Company's internal regulations to legal developments and best practices in

matters of corporate governance (including the Directors' Remuneration Policy); review of the remuneration conditions of the board and senior management in view of the Covid-19 Crisis; Board self-assessment with the support of an external advisor.

DELEGATED COMMISSION

Name	Post	Category
MR. JOSEPH OUGHOURLIAN	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. MANUEL MIRAT SANTIAGO	MEMBER	EXECUTIVE DIRECTOR
MR. JAVIER DE JAIME GUIJARRO	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. MANUEL POLANCO MORENO	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR JAVIER SANTISO GUIMARAS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MRS BEATRIZ DE CLERMONT-TONERRE	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	16.67
% of proprietary directors	33.33
% of independent directors	50.00
% of external directors	00.00

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10 and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The rules governing the organization and operations of the Delegated Commission that are described below are provided in the Board of Directors Regulation:

The Delegated Committee shall consist of at least one third of the members of the Board. The Delegated Committee shall be chaired by the Chairman of the Board of Directors, unless the Board decides that the CEO should chair it. In case of the temporary absence or momentary incapacity of the person acting as Chairman, the latter shall be substituted by the Chairman of the Board or by the CEO, as the case may be, and in their absence, by the Coordinating Director or, in the latter's absence, by another external director designated by the Committee.

The Board of Directors shall appoint the members of the Delegated Committee at the proposal of the Nominations, Compensation and Corporate Governance Committee, with a favourable vote of two-thirds of the directors. The Chairman of the Board and the CEO shall be members of the Delegated Committee and, if there is one, the Coordinating Director.

The Delegated Committee shall be composed by at least two non-executive directors, at

least one of whom shall be independent.

The Delegated Committee shall meet whenever this is deemed to be in the interests of the Company in the judgement of the Chairman, who shall convene the meetings sufficiently in advance and when requested by two or more members of the Delegated Committee or the CEO.

Without prejudice to the authority of the Chief Executive Officer, the Delegated Commission is delegated all authority of the Board except for those that cannot be delegated under the law or the bylaws. Notwithstanding when duly justified urgent circumstances arise and the law permits it, the Delegated Committee may adopt resolutions related to the matters reserved to the Board, which shall be confirmed in the first meeting of the Board of Directors held after they are adopted.

The function performed by the Delegated Committee during 2020 primarily consisted in supervising the corporate strategic operations carried out by the Company, as well as supervising, in general the activities and results of the Company.

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

	Number of female directors			
		Year 2019	Year 2018	Year 2017
		Number %	Number %	Number %
Audit, Risks and Compliance Committee	1 (25.00)	2 (50.00)	1 (33.33)	1 (33.33)
Appointments, Compensation and Corporate Governance Committee	1 (25.00)	2 (50.00)	0 (00.00)	0 (00.00)
Delegated Committee	1 (16.67)	1 (16.67)	1 (20.00)	0 (00.00)

Remarks
Until the time of the resignation of Ms Sonia Dulá as director (on December 18, 2020), the composition of the audit, risks and compliance committee and the appointments, remuneration and corporate governance committee was equal in terms of diversity of gender.

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

The functioning, powers and composition of the Delegated Commission, Audit, Risks and Compliance Commission and Appointments, Compensation and Corporate Governance

Commission are regulated by the Bylaws and by the Board Regulations, which are available on the Company's website (www.prisa.com).

As already indicated in section C.1.15 of this Report, in 2020 the Company has carried out the review and update of its internal regulations, which has included the revision of the Company Bylaws, the Regulations of the Board of Directors and various internal policies of the Company. Some of the rules that regulate the Board committees have been affected by these modifications, which were aimed to (i) introduce certain basic provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission on Appointments and Remunerations Committees (*Guía Técnica 1/2019 de la Comisión Nacional del Mercado de Valores sobre Comisiones de Nombramientos y Retribuciones*); (ii) introduce certain recommendations provided for in the new version of the Spanish Corporate Governance Code for Listed Companies published in June 2020; (iii) to include the novelties introduced in the Spanish Companies Act introduced by Law 11/2018, of December 28, amending the Spanish Commercial Code, the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010, of July, and Law 22/2015, of July 20, on Account Auditing, regarding non-financial information and diversity, in relation to non-financial information, diversity in the composition of the Board and the non-delegable powers of this body; and (iv) include technical adjustments to improve the drafting and interpretation of the Regulations and to complete its content.

The Audit, Risks and Compliance Commission and the Appointments, Compensation and Corporate Governance Commission published in 2020 reports on their functions and activity during 2019, which were made available to shareholders when the Shareholders Meeting held in June 2020 were convened and that are published on the Company's website.

The Commissions will again issue these reports on their functions and activities for the year 2020, which also will be made available to shareholders.

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

In accordance with the Board of Directors Regulations of the Company, it is a non-delegable power of the Board to approve, following a report from the Audit, Risks and Compliance Committee, related party transactions as defined by currently applicable legislation.

Any transaction conducted by the Company with directors and shareholders who are considered major shareholders under securities market regulations applicable at any time or that have proposed the appointment of any of the Company's directors, or with related parties, defined as any of the persons described in applicable regulations, shall require the authorization of the Board of Directors – or the Delegated Committee with the subsequent confirmation of the Board of Directors if it constitutes an emergency, as long as the emergency exists – in all events following a report by Audit, Risks and Compliance Committee.

The Audit, Risks and Compliance Committee and the Board of Directors or the Delegated Committee, before disclosing or authorizing transactions conducted by the Company of this nature, shall assess the operation from a perspective of equal treatment of shareholders and considering market conditions.

Notwithstanding the foregoing, authorization corresponds to the General Meeting if the transaction exceeds a value of 10% of the corporate assets.

For transactions of a recurring nature conducted during the ordinary course of the Company's business under standard market conditions for customers or suppliers, and of minor importance, defined in this case as being those transactions with information that is not necessary to provide a true picture of the assets, the financial situation and the results of the company, the prior authorization of the Board for the generic line of transactions is sufficient.

The authorization provided for above shall not be required, however, if the related transactions involved meets all of the following conditions simultaneously:

- (i) they are conducted under contracts with standard terms and are applied en masse to a significant number of customers or suppliers;
- (ii) they are conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and
- (iii) the amount of the transaction does not exceed 1% of the Company's annual income.

For the Company to be able to identify potential related transactions in advance, the directors shall keep the Board informed about direct or indirect interests or significant influenced in companies or entities that maintain commercial or business relationships with the Company.

The directors who are affected by the associated transactions or who represent or are associated with the affected shareholders, in addition to not casting or delegating their vote, shall not attend the meeting while the Board or the relevant Committee deliberate and vote on them.

The Board of Directors shall include in its annual public information a summary of the transactions conducted by the company with its directors and major shareholders. The aim of the information shall be the total volume of the transactions and the nature of the most significant ones.

D.2 Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
TELEFONICA, S.A.	GRUPO PRISA	Commercial	Rendering of	1,030
BANCO SANTANDER, S.A.	GRUPO PRISA	Commercial	Rendering of services	2,277
RUCANDIO, S.A.	GRUPO PRISA	Commercial	Rendering of services	3
HSBC HOLDINGS PLC	GRUPO PRISA	Commercial	Rendering of services	2
TELEFONICA, S.A.	GRUPO PRISA	Commercial	Reception of services	6,371
TELEFONICA, S.A.	GRUPO PRISA	Contractual	Operating lease agreements	1,595
BANCO SANTANDER, S.A.	GRUPO PRISA	Contractual	Operating lease agreements	11
BANCO SANTANDER, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Commercial	Reception of services	249
HSBC HOLDINGS PLC	PROMOTORA DE INFORMACIONES, S.A.	Commercial	Reception of services	260
BANCO SANTANDER, S.A.	GRUPO SANTILLANA EDUCACIÓN GLOBAL, S.L.	Contractual	Financing Agreements: Loans	2,034
BANCO SANTANDER, S.A.	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.	Contractual	Financing Agreements: Loans	6,000
BANCO SANTANDER, S.A.	PROMOTORA DE INFORMACIONES,	Contractual	Financing Agreements: Loans	702
BANCO SANTANDER, S.A.	PRISA ACTIVOS EDUCATIVOS, S.L.	Contractual	Financing Agreements: Loans	6,750
HSBC HOLDINGS PLC	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Financing Agreements: Loans	15,483
HSBC HOLDINGS PLC	PRISA ACTIVOS EDUCATIVOS, S.L.	Contractual	Financing Agreements: Loans	219,242
BANCO SANTANDER, S.A.	EDICIONES SANTILLANA, S.A. (ARGENTINA)	Contractual	Financing Agreements: Loans	377
BANCO SANTANDER, S.A.	EDICIONES SANTILLANA, S.A. (ARGENTINA)	Contractual	Financing Agreements: Loans	377
BANCO SANTANDER, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Warranties	193

BANCO SANTANDER, S.A.	GRUPO SANTILLANA EDUCACIÓN GLOBAL, S.L.	Contractual	Warranties	262
BANCO SANTANDER, S.A.	PRISA RADIO, S.L.	Contractual	Warranties	340
BANCO SANTANDER, S.A.	PROMOTORA DE INFORMACIONES, S.A	Contractual	Interest paid	227
BANCO SANTANDER, S.A.	PRISA ACTIVOS EDUCATIVOS, S.L.	Contractual	Interest paid	360
BANCO SANTANDER, S.A.	GRUPO SANTILLANA EDUCACIÓN GLOBAL, S.L.	Contractual	Interest paid	312
BANCO SANTANDER, S.A.	SOCIEDAD ESPAÑOLA DE RADIOFIFUCIÓN, S.L.	Contractual	Interest paid	282
HSBC HOLDINGS PLC	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Interest paid	7,260
HSBC HOLDINGS PLC	PRISA ACTIVOS EDUCATIVOS, S.L.	Contractual	Interest paid	11,520

Remarks
<p>i) Transactions shown in the table include operations with the significant shareholder and/or companies in the Group.</p> <p>ii) Transactions with Grupo PRISA include those with Promotora de Informaciones, S.A. (PRISA) and companies in its group. When the name of a particular company in Grupo PRISA is specified, this indicates that the transaction was carried out exclusively with that company.</p> <p>iii) The operations shown in the table reflect the accounting information contained in the consolidated income statement for Grupo PRISA.</p>

D.3 Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)

Remarks
<p>i) Compensation to Prisa directors and senior management is detailed in Sections C.1.13 and C.1.14 of this report.</p> <p>ii) The director Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is Chairman of the media group Dar Al- Sharq, which maintains a strategic alliance with Diario As (a company of PRISA</p>

Group), under which in 2017 they jointly launched "AS Arabia".

D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Sociedad Española de Radiodifusión, S.L.	Loans granted by Sociedad Española de Radiodifusión, S.L. to the company in which it holds holdings, Green Emerald Business INC.	2,203
Sociedad Española de Radiodifusión, S.L.	Dividends received by Sociedad Española de Radiodifusión for its shareholding in Sistemas Radiópolis, S.A. CV	12,418
Prisa Brand Solutions, S.L.U	Income received by Prisa Brand Solutions, S.L.U for advertising sales with the Company WEMASS MEDIA AUDIENCE SAFE SOLUTIONS, S.L.	2,531
PRISA Radio, S.A.	Income received by PRISA Radio, S.A for the provision of technical assistance and advisory services to Sistemas Radiópolis, S.A. de CV.	819
Ediciones El País, S.L.	Income received by Ediciones El País, S.L. for the sale of copies to KIOSKOYMÁS, Sociedad Gestora de La Plataforma Tecnológica, S.L.	514

D.5 State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

Remarks
In addition to the transactions described in sections above, the following transactions with related parties, have been performed: i) services rendered to companies of Grupo Prisa by other investee companies, for an aggregate amount of 1,336 thousand euros, ii) services provided by Grupo Prisa companies to other investee companies, for an aggregate amount of 174 thousand euros, iii) loans granted by companies of Grupo Prisa to other associated companies, for an amount of 230 thousand euros, iv) financial income recorded by companies of Grupo Prisa, linked to the loans granted to the investees, for an aggregate amount of 266 thousand euros, v) dividends received by companies of Grupo Prisa from investee companies, for an aggregate amount of 14 thousand euros and vi) loan impairment expenses associated with loans granted to associates and foreign exchange differences arising from loans denominated in foreign currencies.

D.6 Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

Provisions of the Board of Directors Regulation:

"Article 36: Conflicts of interest and their exemption

1. The directors shall take the necessary steps to avoid incurring in situations in which their interests, whether for their own account or that of others, may come into conflict with the interests of the company and with their obligations to the Company.

The exceptions are cases in which the Company has given its consent under the terms established in paragraph 6 of this Article.

2. A conflict of interests is deemed to exist in cases in which there is a directly or indirect clash between the interests of the Company, or the companies of the Group, and the personal interests of the director. A personal interest of the director is deemed to exist when the matter concerns him or a person associated with him.

For purposes of these Regulations, persons associated with the director are those defined as such in the applicable legislation at any time.

3. In particular, in a conflict of interests situation, directors shall refrain from the following Conducting:

- i. transactions with the Company, except for ordinary transactions standard for customers or suppliers and of little importance, under the terms established by law;
- ii. exploiting the Company's name or invoking the director's status as administrator to unduly influence private transactions;
- iii. using the corporate assets, including the Company's confidential information, for personal ends, under the terms established in Article 37 of these Regulations;
- iv. taking advantage of the Company's business opportunities, terms established in Article 39 of these Regulations; and
- v. receiving benefits or payments from sources other than the Company and the Group in connection with the performance of their duties, unless these involve simple acts of courtesy.

4. The provisions of paragraph 3 above shall also apply in the event that the beneficiary of the banned acts or activities is a person associated with the director.

5. In cases in which the conflict of interest is, or can reasonably be expected to be, of such a nature that it constitutes a structural and permanent conflict between the director (or a person related to the latter or, in the case of a the proprietary director, the shareholder or shareholders the latter proposed or appointed, or persons directly or indirectly associated with them) and the Company or the companies included in their Group, it will be understood that the director is not, or has ceased to be suitable to hold the post pursuant to the requirements of Article 23 of these Regulations.

6. The directors shall notify the Board about any direct or indirect conflict that they may have with the interest of the Company. In particular, they shall disclose situations that may involve conflicts of interest pursuant to the provisions of the "Internal Rules of Conduct Concerning Matters Related to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies."

Likewise, they shall also disclose: (i) the positions they hold on other boards of directors of

which they are members, whether listed companies or not, and other paid activities of any nature they are engaged in; and (ii) the shares of the Company they directly or indirectly own and the rights of options over them.

7. Notwithstanding the provisions of paragraph 3 above, the Company may waive the prohibitions contained therein in individual cases, authorizing: (i) a director or associated person to conduct a specific transaction with the Company (in accordance with the provisions of these Regulations); (ii) the use of certain corporate assets; (iii) the exploitation of a specific business opportunity; (iv) the attainment of an advantage; or (v) payment from a third party.

This authorization shall require a resolution of the General Meeting if the purpose is a waiver of the prohibition of attaining an advantage or payment from third parties, or concerns a transaction with a value of more than 10% of the corporate assets.

In other cases, authorization the Board of Directors may also grant this authorization, provided that the independence of the members who grant it is ensured with respect to the director who receives the waiver, also ensuring that the authorized transaction poses no harm to the corporate assets or, if applicable, their realization in market conditions, and that the process is transparent.

8. In the cases foreseen in paragraph 2 above, the Board, following a report from the Nominations, Compensation and Corporate Governance Committee, shall require the adoption of measures which, in its judgement alone, are necessary to protect the Company's interests.

9. The Company shall publically disclose the conflicts of interest of the directors under the terms established in the applicable legislation at any time."

"Article 40. Transactions with directors and major shareholders:

1. Any transaction conducted by the Company with directors and shareholders who are considered major shareholders under securities market regulations applicable at any time or that have proposed the appointment of any of the Company's directors, or with related parties, defined as any of the persons described in applicable regulations, shall require the authorization of the Board of Directors – or the Delegated Committee with the subsequent confirmation of the Board of Directors if it constitutes an emergency, as long as the emergency exists – in all events following a report by Audit, Risks and Compliance Committee.

2. The Audit, Risks and Compliance Committee and the Board of Directors or the Delegated Committee, before disclosing or authorizing transactions conducted by the Company of this nature, shall assess the operation from a perspective of equal treatment of shareholders and considering market conditions.

3. Notwithstanding the provisions of the previous paragraph, authorization corresponds to the General Meeting if the transaction exceeds a value of 10% of the corporate assets.

4. For transactions of a recurring nature conducted during the ordinary course of the Company's business under standard market conditions for customers or suppliers, and of minor importance, defined in this case as being those transactions with information that is not necessary to provide a true picture of the assets, the financial situation and the results of the company, the prior authorization of the Board for the generic line of transactions is sufficient.

5. The authorization provided for in the previous paragraphs shall not be required, however, if the related transactions involved meets all of the following conditions simultaneously:

- i. they are conducted under contracts with standard terms and are applied en masse to a significant number of customers or suppliers;*
- ii. they are conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and*

iii. *the amount of the transaction does not exceed 1% of the Company's annual income.*

6. *For the Company to be able to identify potential related transactions in advance, the directors shall keep the Board informed about direct or indirect interests or significant influenced in companies or entities that maintain commercial or business relationships with the Company.*

7. *The directors who are affected by the associated transactions or who represent or are associated with the affected shareholders, in addition to not casting or delegating their vote, shall not attend the meeting while the Board or the relevant Committee deliberate and vote on them.*

8. *The Board of Directors shall include in its annual public information a summary of the transactions conducted by the company with its directors and major shareholders. The aim of the information shall be the total volume of the transactions and the nature of the most significant ones."*

Provisions of the Internal Conduct Regulation for Matters Related to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies" (RIC), which has been modified in July 2016 to its adaptation to Regulation (EU) 596/2014 of 16 April 2014 on market abuse, states the following regarding conflicts of interest. The RIC applies, among others, to the directors of the Company and to certain managers of the Group:

"Article 22 (Conflict of Interest): A conflict of interest shall be deemed to exist when any of the following applies to an Affected Person in relation to the entities referred to in this section:

1. *The party is a director or senior manager with regular access to Inside Information directly or indirectly relating to the entity in question, and with power to make management decisions affecting the said entity's future evolution and business prospects.*
2. *The party holds a significant holding (meaning: for companies listed in any official Spanish or foreign secondary market, those referred to in article 125 SML and its implementing legislation; and, for unlisted Spanish or foreign companies, any direct or indirect holdings of more than twenty percent of the issued share capital).*
3. *The party is a relative, to the second degree by affinity or third degree by consanguinity, of the parties referred to in article 21.1 above or of holders of significant holdings in their share capital.*
4. *The party has relevant direct or indirect contractual relations.*

Affected Persons subject to conflicts of interest must observe the following general principles of action:

Independence: Affected Persons must at all times act with freedom of opinion, loyalty to the Company and its shareholders and independently of their own or third parties' interests. Consequently, they shall refrain from placing their own interests above those of the Company or those of some investors over others.

Refrainment: They must refrain from being involved in, or influencing, the taking of any decisions that could affect the persons or entities with which there is a conflict and from accessing Inside Information that affects such conflict.

Disclosure: Affected Persons must inform the Compliance Unit of any possible conflicts of interest in which they may be involved as a result of their activities outside the Company, their family ties, personal assets or for any other reason, as regards:

- (a) *The Company or any of the GRUPO PRISA companies.*
- (b) *Significant suppliers or customers of the Company or of GRUPO PRISA companies.*
- (c) *Entities engaged in the same type of business as, or which are competitors of, the Company or any of the GRUPO PRISA companies.*

Any queries regarding the possibility of a conflict of interest must be discussed with the Compliance Unit, and the final decision shall be made by the Audit Committee".

Provisions of the Code of Ethics of Grupo PRISA:

The Code of Ethics, which applies to directors, amongst others, underscores the duty to avoid situations that could give rise to conflict between private interests and those of the company and requires that such situations be disclosed to the Company.

D.7 Is there more than one company in the group listed in Spain?

NO

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

In order to be able to control, mitigate and manage any threat to the fulfilment of its objectives, the Group constantly monitors the risks that could affect it, according to the Risk Control and Management Policy approved by the Board of Directors of PRISA with the favorable report of the Audit, Risks and Compliance Commission and the Nominations, Compensation and Corporate Governance Commission.

In this way, the Group has a Risk Management System, supported by an adequate definition and assignment of functions and responsibilities at different levels and a series of control and management methodologies, tools and procedures. Through this Risk Management System, the Group identifies, monitors and analyses risks on an ongoing basis, defines and, where appropriate, implements, on a case-by-case basis, the measures required to mitigate risks when they materialize.

The Risk Management System works by business unit, consolidating such management at a corporate level through, among other specific tools, a comprehensive management model, focused on ad hoc analysis in relation to different risks, depending on their development and the analysis made of them and their circumstances over time.

The Group also has an Internal Control over Financial Reporting (ICFR), initially developed from the methodological framework of COSO 1992, and adapted during fiscal year 2014 to the new COSO 2013 Framework.

For the management of criminal risks, the Group has a Model for Prevention of Criminal Liability in Spain and develops regulatory compliance models in the main countries in which it is present. In the context of compliance models, and among others, environmental, labor relations, corruption and bribery risks associated with the various business activities and operations are analyzed.

E.2 Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The identification of the risks is carried out by the various Directorates-General of the business and corporate units, identifying both those responsible for the management of each risk and the associated action plans and controls. At a corporate level, risk management is consolidated through a comprehensive management model, which provides a dynamic and continuous view, more suitable for monitoring, control and management.

In this regard, the business units contribute to the proper functioning of the risk control and management systems and, in particular, aim to adequately identify, manage and quantify the risks that affect them. Furthermore, they actively participate in the definition of the risk strategy and in the decisions regarding its management, also ensuring that the systems established adequately mitigate the risks within the framework of the policy established by the Board of Directors and the Audit, Risks and Compliance Commission.

Likewise, the Group has a risk map and a specific non-financial risks map as tools for their visual representation, used to identify and assess the risks of the activities of the business and the Group. In general, these risk maps are reviewed annually.

Periodically, the Internal Audit Department gathers and consolidates the risks identified by each business unit, in order to draw up the Group and business risk maps.

Both the comprehensive management model and the risk maps are reported to the Audit, Risks and Compliance Commission, which is also in charge of supervising and periodically evaluating the Group's risk management and control systems and setting the acceptable risk level, in view of the risk aversion, tolerance or appetite in each specific case.

E.3 State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

From a general viewpoint, a risk is considered to be any threat to the fulfilment of the objectives set forth in the Group's Strategic Plan and its businesses.

In particular, the Group's business activities, and therefore also the proper execution of its strategic roadmap, are subject to risks that can be categorized as follows:

- a. Risks related to the financial and equity situation.
- b. Strategic and operational risks.
- c. Non-financial risks.
- d. Reputational risks.

Below, for each of the above categories, we describe the risks that the Group faces in general:

- a. Risks related to the financial and equity situation:

- Financing risk: The Group's financial obligations involve the following risks: vulnerability to the economic cycle and to market developments; limitations on the capacity to draw cash flows from operations; limitations on the capacity to adapt to changes in the markets; limitations on the capacity to obtain additional financing if necessary; disadvantages against less indebted competitors; the need to comply with certain financial ratios (*covenants*); and impacts arising from variations in credit ratings.
- Credit and liquidity risk: The Media businesses, which are dependent on advertising, have a high percentage of fixed costs, and the fall in advertising revenues has a significant impact on margins, cash generation capacity and cash position, making it difficult to implement additional measures to improve the Group's operating efficiency. See also "*Risk of deterioration in the advertising market*" for more information on the Group's risks related with advertising and its effects on credit and liquidity.

On the other hand, the nature of the Education business determines that there are periods of cash collection around certain dates, mainly during the last months of each year, which generates certain seasonality in business cash flows. This could give rise to some cash flow stress during periods when collections are historically lower.

With regards to commercial credit risk, the Group assesses the seniority of receivable balances and constantly monitors the management of collections and payments of all its activities, as well as the maturities of financial and commercial debt, and regularly analyses other financing methods in order to cover expected cash needs in the short, medium and long term.

- Interest rate risk: Upward fluctuations in interest rates imply an increase in interest expenses, which has a negative impact on the Group's available cash.
- Exchange rate risk: The Group faces fluctuations in exchange rates mainly due to financial investments related with holdings in Latin American companies, as well as due to the income and results from these investments, which represent a significant stake of the Group's aggregate. Likewise, potential adverse developments in Latin American economies where the Group operates may lead to situations of hyperinflation, with the consequent negative impact on exchange rates.

- Tax risk: In general, related to a possible different understanding of the regulations by the competent tax authorities, as well as to modifications of the tax regulations of the countries where the Group operates.
 - Risk of impairment of intangible assets and goodwill: The valuation of these assets and goodwill is based on estimates made on the basis of the best information available at any given time. Events that may occur in the future may require these estimates to be modified downwards, which may result in the effect of these new estimates regarding the valuation of the assets being recognized in the income statement.
- b. Strategic and operational risks:
- Macroeconomic risk: The evolution of macroeconomic indicators can affect the development and success of the Group's businesses both in Spain and in the Americas. The deterioration of macroeconomic indicators may have a negative impact, among others, on the Group's outlook in terms of results and cash generation, as well as on the valuation of its assets.
 - Country risk: The Group's operations and investments, especially in Latin America, may be affected by various risks related with investments in countries with emerging economies or situations of instability, such as currency devaluation, restrictions on capital movements, inflation, confiscations or nationalizations, tax reforms or significant changes in policies and regulations.
 - Regulatory and legal risk: The Group operates in regulated sectors (licensing policies regarding Radio and education policies in the Education business) and is therefore exposed to regulatory and administrative risks that could adversely affect its main businesses. Additionally, the Group's businesses are subject to numerous competition, merger control and antitrust regulations, both international and national.
 - Risk of competition: The Group operates in highly competitive sectors. In the Education business, the Group competes both with traditional players and with smaller businesses, online platforms and digital providers that offer alternative contents and methodologies. In addition, there is a growing trend towards open educational content access through online platforms, the widespread consumption of second-hand materials and the increase of schools that do not use books and develop new contents within their curricular autonomy. In the Media businesses, competition with companies that offer online content is strong and the Group competes for advertising with traditional players, with multinational platforms of online audiovisual and music content, with new online content providers and with news aggregators. Therefore, the lack of capacity to anticipate and adapt to the needs and new demands of customers in each of the businesses may affect the Group's competitive position *vis-à-vis* the rest of its competitors.
 - Risk of customer concentration in the public sector: Governments and public entities from the different jurisdictions in which the Group operates are relevant customers for the Education business. This dependence on public administrations may pose a risk regarding earnings, if the economic situation in these countries worsens or if there are changes in regulations or public policies.
 - Risk of deterioration in the advertising market: Advertising investment (a factor on which a significant part of the Group's income depends) tends to be cyclical and reflects the general economic situation and outlook. Given the large component of fixed costs associated with the businesses and the relevant stake of advertising income in the Group's accounts, a fall in advertising income may have a significant direct impact on margins, cash generation capacity and cash position, making it difficult to implement additional measures to improve the Group's operating efficiency and, therefore, on the Group's results.
 - Risk of traditional business models transformation: It refers to the development of new operators focused on the production and distribution of all types of contents

(educational, informational, entertainment, etc.) in multiple formats (text, audio, video, online, offline, etc.). As indicated above, the Group's businesses must adapt to new consumer demands and new business models since if the Group fails to do so successfully it may have a negative impact on the Group's results and cash flow generation.

- Risk of digital transformation: The businesses in which the Group operates are subject to an ongoing and deep process of technological transformation related with new methods and channels for the distribution and consumption of content, accompanied, in turn, by changes in consumer preferences and habits. The digital transformation involves a series of risks, such as the development of new products and services that respond to market trends, the diminishing value of contents in the digital environment, the greater role of technology in the development of digital businesses, the management of new digital talent, and the resistance to technological changes in the Group's businesses.
 - In the area of Education, in certain geographies, especially in Latin America, subscription models with a strong digital component (educational systems) are becoming increasingly important, both in terms of content and educational experience.
 - In the area of Media, alternative digital actors are emerging, including both social networks or news aggregators, as well as online content providers through various platforms, significantly expanding the options available to consumers and resulting in a fragmentation of the audience. This also implies an increase in the inventory of digital advertising space available to advertisers, while technological change makes it easier for users to avoid digital advertising on the websites and mobile applications they access. Additionally, the emergence of digital advertising networks and markets, especially, disruptive methods of advertising auctions, allows advertisers to develop more personalized advertising, and pushes prices down.
- Technological risk: The businesses in which the Group operates depend, to a greater or lesser extent, on information technology systems. These systems are vulnerable to a range of threats, such as hardware and software malfunctions, cyber-attacks, computer viruses, piracy and physical damages to technological equipment. In addition, they need regular updates and the Group may not be able to implement the necessary updates at the right time or the updates may not work as planned. The vulnerability of the Group's systems and platforms may result in the loss of data or compromise customer's data or other sensitive information; therefore, significant system failures or attacks to the security of these could have an adverse effect on the Group's operating results and financial situation.
- Data protection risk: The Group has a large amount of personal data due to the ordinary operations of its businesses, including information related to employees, readers or students. Additionally, it is subject to data protection regulations in the various countries in which it operates. Any breach of these rules could have an adverse impact on the Group.
- Intellectual property risk: The Group's business depends, to a large extent, on intellectual and industrial property rights, including, among others, brands, literary content or internally developed technology. Brands and other intellectual and industrial property rights are one of the cornerstones of the Group's success and maintenance of its competitive advantages. However, there is a risk that unauthorized third parties may try to copy or obtain and improperly use the content, services or technology developed by the Group. On the other hand, the Group, in order to make use of the intellectual property rights of third parties, has non-exclusive authorizations, in exchange for a fee, granted by entities that manage these rights and companies that create or market intellectual property assets. In this regard, technological developments eases the unauthorized reproduction and distribution of content through various channels, making it difficult to implement the protection mechanisms associated with intellectual and industrial property rights.

- Risk of litigation and third party claims: The Group is party to litigation and is exposed to liability for the contents of its publications and programs. In addition, in the course of its activities and businesses, the Group faces potential liabilities and claims in the context of its labor relations.
- c. Non-financial risks:
 - Environmental management.
 - Social and personnel management risks.
 - Society.
 - CSR performance.
 - Supply chain.
- d. Reputational risks:

This category identifies the risks related with a potential negative impact on the Group and its results due to behaviors that do not meet the expectations of the market and the various stakeholders, including those related to corruption, as defined in the Group's Anti-Corruption Policy.

E.4 State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

The Group has defined an acceptable error level in relation to the risks related with financial information. In accordance with this materiality level, significant processes and accounts are identified in the control systems.

Regarding to the rest of the risks, the Group's senior management periodically evaluates them, as it is described in sections E.1 and E.2.

The Audit, Risks and Compliance Commission is in charge of both supervising and periodically evaluating the Group's risk management and control systems and setting the acceptable risk level, in view of the risk aversion, tolerance or appetite in each specific case.

E.5 State which risks, including tax compliance risks, have materialised during the year.

Since mid-March, the Group has worked to deal with the impact of the pandemic caused by coronavirus (COVID-19). The world is experiencing an extraordinary and unprecedented social and economic emergency. The health system has never faced such a crisis, the number of infections is counted by millions, and the number of deaths has reached unbearable numbers. In short, this pandemic has placed everything and everyone in a critical, urgent situation.

Therefore, a big part of the risks identified by the Group, above all in what refers to strategic and operational risks, has been affected during 2020. Impacts range from a markedly unstable macroeconomic environment (macroeconomic risk, country risk, regulatory risk, exchange rate risk), with the economies of the countries in which the Group operates going through very complex situations (sever GDP falls, currency devaluations, etc.) and the Governments of those countries implementing unprecented initiatives (lock downs, mobility restrictions, high regulatory activity, etc.), to a microeconomic environment of the industries in which the Group operates very affected by the plunge of the advertising market in Media (risk of deterioration in the advertising market, risk of traditional business models transformation) and the schools' closure in Education (risk of traditional business models transformation, risk of customer concentration in the public sector). All together within a context of intensive digital

transformation of the businesses and high competitiveness (risk of digital transformation, Technological risk, risk of competition).

In what refers to the risks related to the financial and equity situation, in this context of crisis and uncertainty motivated by the Covid-19 pandemic, the Group has accounted a tax assets impairment amounting to 64,1 million euros (tax risk). Additionally, the Group has recorded an impairment of intangible assets related to the Radio business amounting to 30 million euros (risk of impairment of intangible assets and goodwill).

Finally, resulting from the sale in May 2020 of the stake of Vertix SGPS, S.A. (subsidiary fully owned by Prisa) in Grupo Media Capital, SGPS, S.A., the Group has recorded a loss amounting to 77,3 million euros (risk of impairment of intangible assets and goodwill).

E.6 Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

In order to be able to control, mitigate and manage any threat to the fulfilment of its objectives, the Group constantly monitors the risks that could affect it, according to the Risk Control and Management Policy approved by the Board of Directors of PRISA with the favorable report of the Audit, Risks and Compliance Commission and the Nominations, Compensation and Corporate Governance Commission. To perform this continuous monitoring, the Group relies on the Risk Management and Control System as described on previous sections E.1 and E.2.

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

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1 Control environment

F.1 Entity control environment

Indicate the following, detailing at least their main features

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

The company's approach regarding the internal control over financial reporting (hereinafter ICFR), which was initially deployed according Internal Control Framework issued by COSO in 1992, was adapted in 2014 to the COSO Framework issued in 2013. In this regard, the Group will continue improving its ICFR system in conformity with this new Integrated Internal Control Framework.

As set out in Article 5.3 of the Board Regulations, the functions of the Prisa Board of Directors include ensuring that there is an appropriate and effective system of internal control over financial reporting (ICFR) in place and maintained. Also, pursuant to the same article of the regulations, the Board is responsible for supervising internal reporting and control systems. In this regard, the Board of Directors is assisted, for the development of these functions, by the Audit, Risks and Compliance Commission of Prisa. Among the responsibilities of the Audit Commission, is the monitoring of the preparation and presentation of the regulated financial information.

The effective implementation of internal control model is the responsibility of the CEO and the CFO of Prisa, as well as the CEOs and CFOs of the Group's business units involved in the preparation of financial information which forms the basis for the preparation of Group's Financial Statements.

The monitoring of ICFR, is performed both by the Audit Commission and the Board of Prisa, with the Internal Audit function support.

F.1.2. In particular reference to the process for preparing financial information, which of the following elements are in place:

• Departments and/or mechanisms responsible for: (i) design and review of the organizational structure; (ii) defining clearly lines of responsibility and authority, with an adequate distribution of tasks and duties; and (iii) ensuring there are adequate procedures for their correct dissemination within the entity.

The Direction of Talent Management and Human Resources, under the Secretary of the Board, is responsible for the design, implementation, reviewing and updating of the Group's organizational structure. The Group's business units have a distribution and definition of tasks and functions in the financial areas, which have job descriptions for key roles in these areas, as well as clearly defined lines of responsibility and authority in the preparation process of the financial reporting.

In addition, this Direction and the Group Compliance Officer coordinate and monitor the internal procedures of the Group companies, and its degree of documentation, updating and communication.

• Code of conduct: approval body, degree of communication and instruction, principles and values included (indicated whether specific mention is made of the recording of operations and the preparation of financial information), the body responsible for analyzing non-compliance and proposing corrective actions and sanctions.

Prisa Group has a Code of Ethics that sets out the principles and standards of conduct that should govern the companies in PRISA Group and all their employees, aimed at ensuring ethical and responsible behavior in the pursuit of their activities.

The PRISA Compliance Unit reports to the Audit, Risks and Compliance Commission and is the body charged with safeguarding and promoting ethical behavior of employees, associates and members of PRISA Group, and, therefore, amongst other functions, with overseeing their compliance with the Code of Ethics.

The Compliance Unit reports incidents relating to the Code of Ethics to the Audit, Risks and Compliance Commission so that the latter can assess annually the compliance with the Group's rules of governance.

The Code of Ethics has been communicated and disseminated to all employees of the Group to whom it applies. Also, an internal and external communication plan is carried out periodically for the Code. At the end of 2020, an online course on the content of the Code of Ethics was launched, initially aimed at Group employees in Spain, and whose scope will be extended during the 2021 financial year to employees in other countries.

The Code of Ethics, posted on the corporate website (www.Prisa.com) and in PRISA's global intranet sets out a series of standards of conduct based on the following principles:

- i. Respect human rights and liberties.

- ii. Promotion of career development, equal opportunity, non-discrimination due to personal, physical or social conditions, and respect for persons.
- iii. Occupational safety and health.
- iv. Environmental protection.

Specifically, in relation to financial reporting, PRISA Group considers transparency in financial information as a basic principle that must govern its actions and, therefore, establishes rules of conduct aimed at ensuring that all information, be it internal information or the information reported to the markets, to the regulators of those markets or to government authorities, be truthful and complete and adequately reflects, amongst other aspects, its financial situation and the results of its operations, and be reported on a timely basis and in accordance with the applicable standards and general principles governing markets and their proper governance that PRISA Group has endorsed.

Rules of conduct are also established aimed to guarantee that all transactions are timely recorded in the Group's systems, in keeping with the principles of existence, completeness, clarity and accuracy in the Group's systems and financial statements, in accordance with the applicable accounting standards.

• Whistle-blowing channel for communicating irregularities of a financial and accounting nature to the Audit Commission, as well as any failures to comply with the code of conduct and irregular activities in the organization, indicating whether it is confidential in nature and whether it allows anonymous communications while respecting the rights of both the complainant and the respondent.

The Group has a Whistle-blowing channel for the reception and treatment of complaints regarding wrongdoings or breaches related to both, internal and external regulations, in matters affecting the Group, its employees or its activities.

It is a confidential and anonymous communication channel available to any employee in the Group intranet or alternatively through a post office box laid out for this purpose. The complaints received are currently managed by Prisa Compliance Unit, who reports them to the Audit Commission. Additionally, there is a confidential Whistle-blowing mailbox for third parties related to the Group and accessible through corporate website www.prisa.com. On the other hand, there are compliance mailboxes associated with the Compliance Units of each business redirected to the Prisa compliance mailbox, through which doubts about the Code of Ethics and other matters can be transferred, as well as allegations of improper behavior. In the treatment of the complaints received through these mailboxes, a procedure, similar to the one defined for those received through the whistleblowing channel, is followed.

• Training and regular updating programs for the personnel involved in the preparation and review of financial information, as well as assessment of the ICFR, dealing at least with accounting standards, audit, internal control and risk management.

The financial officers responsible for reporting in the business units and significant companies in the Group periodically receive accounting standards update bulletins. In this regard, during 2020, bulletins have been sent out on the potential impacts of COVID on financial information and its accounting treatment. In addition in 2020, an online course on the Code of Ethics was sent to Group employees in Spain and online training sessions were held on the management of risks related to criminal compliance, data protection and cybersecurity.

F.2 Assessment of financial reporting risks

Inform at least on the following:

F.2.1. Which are the main features of the risks identification process? Including risks of error and fraud, indicating:

- **Whether the process exists and is documented.**

The system established in the Group for financial reporting risks identification and assessment is formally documented and updated at least once a year.

In the Group financial reporting risks assessment it is applied a top down approach based on the Group's significant risks. This approach starts with the identification of significant accounts and disclosures, assuming both quantitative and qualitative factors. The quantitative evaluation is based on the materiality of the account, and it is supplemented by qualitative analysis that determines the associated risk considering the characteristics of the transactions, the nature of the account, the accounting and reporting complexity, the probability of significant contingent liabilities to be generated resulting from transactions associated with the account, the susceptibility to errors or fraud losses and the potential impact on financial reporting of the risks identified in business units, corporate risks maps and during performed Internal Audit reviews.

In order to perform a full risk assessment, this analysis is performed on each business unit, as they primarily generate financial information that serves as the basis for preparing consolidated financial statements of the Group.

For each business unit, the most relevant accounts are identified, based on mentioned risk analysis. After identifying significant accounts and disclosures at the consolidated level and in each business unit, we proceed to identify the relevant processes associated with them, and the main kind of transactions within each process. The objective is to document how key relevant processes transactions are initiated, authorized, recorded, processed and reported.

- **Whether the process covers all of the objectives of the financial information (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability; and rights and obligations), whether it is updated, and with what frequency.**

For each account the controls are analyzed in order to cover the assertions to ensure the reliability of financial reporting, i.e. that recorded transactions have occurred and pertain to that account (existence and occurrence), transactions and assets are registered in the correct amount (assessment / measurement), the assets, liabilities and transactions of the Group are properly disclosed, categorized and described (presentation and disclosure) and there are no assets, liabilities, and significant transactions not recorded (completeness). Complementary to risks update, the Group annually performs a review of controls that mitigate identified risks.

- **Whether there is a process for identification of scope of consolidation, taking into account among other aspects the possible existence of complex corporate structures, holding companies or special purpose vehicles.**

Among the significant processes of the Group it is considered the determination of the scope of consolidation, which is conducted monthly by the Consolidation department, set in the Corporate Finance Department, in collaboration with Legal Advisory Department, who regularly reports the corporate transactions and subscribed shareholder agreements.

- **Whether the process takes into account the impacts of other types of risk (operating, technology, financial, legal, reputational, environmental, etc.) insofar as these affect the financial statements.**

Risk assessment process takes into account the risk profile of each business unit, which is determined by their contribution to the consolidated financial statements, and assessing the specific risks, among other factors, the nature of their activities, centralization or

decentralization of operations, specific industry and environmental risks, to the extent they may have potential impact in financial statements.

- **Which governing body of the entity supervises the process.**

The system is monitored, as mentioned above, by the Audit Commission and, ultimately, by the Board of Directors.

F.3 Control activities

Provide information on whether at least the following exist, indicating their main features:

F.3.1. Procedures for reviewing and authorizing financial information and description of the ICFR, to be published on the stock markets, indicating those responsible, as well as documentation describing flows of activities and controls (including those relating to risk of fraud) of different transaction types that may significantly affect the financial statements, including the procedure for the accounting close and the specific review of judgments, estimates, assessments and relevant forecasts.

The Group has documentation describing flows of activities and process controls identified as significant in each business unit and at corporate level, both at general level (general controls) and at process level (transactional controls). Based on this description the key risks and mitigating controls are identified. The documentation of control activities is supported on risk and control matrixes by process. In these matrixes the control activities are classified by their nature as preventive or detective, manual or automatic, and based on the degree of mitigation of associated risks, as key or standard.

In each significant business unit there is a documented process describing the accounting close as well as specific controls concerning relevant judgments and estimates, according to the nature of the activities and risks associated to each business unit.

In relation to the financial reporting review and approval process, a phased certification process is developed on the effectiveness of internal control model over financial reporting. The CEOs and General Managers in the business units and companies that are considered significant, confirm, at the year end, in writing the effectiveness of defined controls for their critical processes as well as their financial information reliability. Also, in relation to this process, as mentioned above, there are procedures for the financial information disclosed to the stock markets review and approval by the governing bodies.

F.3.2. Internal control policies and procedures for information systems (including secure access, controls over modification and operation, continuity of operations and segregation of duties) that support the relevant processes of the entity in connection to the development and publishing of financial information.

As for the controls on the systems or applications which are relevant in relation to the developing of financial information, these are intended to maintain the integrity of systems and data and ensure its operation over time. The controls considered on information systems are essentially access control, segregation of duties, systems operations and development or modification of computer applications. The Group annually reviews and evaluates the controls and procedures associated with the main applications and infrastructures implied in financial reporting processes.

F.3.3. Internal control policies and procedures for supervising the management of activities outsourced to third parties, as well as those aspects of assessments, calculations or valuations that are entrusted to independent experts, which may have a material effect on the financial statements.

In relation to subcontracted activities, the Group has outsourced the maintenance of its applications and technological infrastructures with different suppliers, as well as logical security services. The supervision of these services is articulated through the monitoring of compliance with the levels of service agreed with the different suppliers, and with monitoring meetings and committees, with a defined period and content.

F.4 Information and communication

Provide information on whether at least the following exist, indicating their main features:

F.4.1. A specific function tasked with defining and updating accounting policies (accounting policy area or department) and resolving any queries or disputes arising as a result of their interpretation, maintaining a fluent dialog with the people responsible for operations in the organization, as well as an up-to-date accounting policies manual that is communicated to the units through which the entity operates.

The organization has an accounting manual founded on the International Financial Reporting Standards applicable to the Group's businesses, developed by the Internal Audit Department, and annually updated and communicated to the different business units. There are also specific accounting policies developed for some Group businesses providing specific accounting treatment to correctly reflect their activities. Furthermore, Internal Audit Department periodically issues accounting newsletters that show the latest changes of international accounting standards in those aspects that could affect Group entities' financial statements.

F.4.2. Mechanisms for gathering and preparing the financial information using standard formats, applied and used by all the units in the entity or the group, which support the main financial statements and disclosures, as well as the information given on the ICFR.

Prisa counts on an unified and adapted chart of accounts applicable to all the Group companies that manage financial information within Group SAP software. Likewise, there is a single and homogeneous format of documentation for the financial reporting of Group business units which supports the financial statements, notes and disclosures included in regulated financial information.

F.5 Supervision of system effectiveness

Provide information on at least the following, indicating their main features:

F.5.1. Supervisory activities on the ICFR carried out by the Audit Commission, as well as whether the entity has an internal audit function that includes among its competencies supporting the commission in the task of supervising the internal control system, including the ICFR. Furthermore, information must be provided on: the scope of the evaluation of the ICFR carried out during the year and on the reporting procedure followed by the person in charge of conducting the evaluation; whether the entity has an action plan detailing possible corrective measures; and whether its impact on the financial information has been considered.

As part of the monitoring activities on the internal control system carried out by the Audit, Risks and Compliance Commission, the following are included:

- i. Monitor the effectiveness of the Company's internal control, internal audit and risk management system.

- ii. In relation to the external auditor, it must supervise the work performed by the latter and their conclusions, including any that have an impact on the audit report and any significant weaknesses identified in the internal control system during the audit.
- iii. Supervise the process of drawing up financial reporting for Prisa and for the Group and the integrity of the information, ensuring it meets regulatory requirements, covers the appropriate scope of consolidation and that accounting criteria are properly applied.

The Group has an internal audit unit, which supports the Audit, Risks and Compliance Commission in monitoring internal control system over financial reporting. The Internal Audit Department depends functionally to the Audit Commission, which annually approves the audit plan for each fiscal year and the resources required for its development.

The main objective of internal audit is to provide the Group management and the Audit Commission with reasonable assurance on the environment and internal control systems operating within the Group companies having been properly managed. For this purpose, internal audit reviews the design and scope of the Group's internal control system over financial reporting, and subsequently carries out the evaluation of the design and effectiveness of the control activities defined in the model. Annually the functioning of the general controls of the Group as well as controls related to the information systems and the key control activities in the ICFR are tested. For each of the identified weaknesses, an estimation of its impact is done. Also, for all the identified weaknesses a plan of action is defined in order to correct or mitigate the risk, including a responsible for the management and an implementation schedule. The Internal Audit Direction reports annually to the Audit Commission on the results of the evaluation of the ICFR and regularly informs on the evolution of the more relevant established action plans.

F.5.2. Whether any discussion procedure is in place whereby the auditor (in accordance with the provisions of the Technical Auditing Rules), the internal audit function and other experts may notify senior management and the Audit Commission or directors any significant internal control weaknesses identified during the processes of reviewing the financial statements and in any other processes that may have been entrusted to them. Information must also be provided on whether it has an action plan that seeks to correct or mitigate the weaknesses identified.

The significant deficiencies and material weaknesses that would have been revealed as a result of the internal audit's assessment of the of internal control system over financial reporting, are reported to both the Audit Commission and the external auditor. Internal Audit prepares an annual report on the evaluation of the internal control system over the Group's financial information in which it is detailed for each weakness identified, the mitigating controls or a defined action plan, and those responsible for its implementation.

Additionally, ultimately, the internal control system is audited by the statutory auditor of the Group, who reports to the Audit Commission on the significant and material weaknesses identified and gives opinion on the effectiveness of internal control over financial reporting during the year.

F.6 Other relevant information

None

F.7 External auditor's report

Provide information on:

F.7.1. Whether the information on the ICFR sent to the markets has been reviewed by the external auditor, in which case the entity should include the provided report as an annex. If that is not the case, reasons should be reported.

The system of internal control over financial reporting is audited by the statutory auditor of the Group that gives opinion on the effectiveness of internal control within a reasonable assurance report in accordance with ISAE 3000.

G EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

- 1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.**

Compliant

- 2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**
 - a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**
 - b) The mechanisms in place to resolve any conflicts of interest that may arise.**

Does not apply

- 3. That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:**
 - a) Changes that have occurred since the last General Shareholders' Meeting.**

b) Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

Compliant

- 4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Compliant

- 5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.**

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Compliant

- 6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:**

a) Report regarding the auditor's independence.

b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.

c) Report by the audit committee regarding related-party transactions

Compliant

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Compliant

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Compliant

9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Compliant

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

- a) Immediately distributes the additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Does not apply

- 11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.**

Does not apply

- 12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.**

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Compliant

- 13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.**

Compliant

- 14. That the Board of Directors approves a a policy aimed at favouring an appropriate composition of the Board and that:**

a) Is concrete and verifiable;

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Compliant

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Partially compliant

The Company is in compliance with the first part of this recommendation. However, we have not been able to meet the objective of filling at least 30% of the total directorships on the Board with women.

The Company's Board of Directors is composed of 12 directors. Until December 2020 the Board had three female directors, representing 25% of the total board members. However, after Ms. Sonia Dulá's resignation on December 18, the number of female members on the board was reduced to two and, thus, at the closing of the 2020 fiscal year women directors compose 16.66% of the total Board members.

However, it is noted that in February 2021 the director Mr. Javier de Jaime Guijarro resigned, in addition to professional reasons and lack of availability, due to his desire to improve gender diversity on the Board of Directors of PRISA, which would facilitate leaving a vacant vacancy on the Board. To fill this vacancy, the Board has appointed Ms. Pepita Marín Rey-Stolle as a director, by co-option, so that the representation of women on the board has risen to 25%.

The circumstances that have hindered incorporating a larger number of women directors on the Board include:

i) Coinciding with the annual shareholders meeting held in June, 2020, the directorships of several board members expired. After the Appointments, Compensation and Corporate Governance Committee (CNRGC) and the Board of Directors analyzed and evaluated their reelection or replacement, it was decided that it was in the Company's best interest to propose that the shareholders: i) reduce the number of directors from 13 to 12 (taking into the account that one of the directors requested that he not be reelected) and ii) reelect the other directors whose posts were expiring (which included a woman, Ms. Sonia Dulá).

It should be noted in that regard that in early 2020 the Company had commenced a process to identify female candidates for directorships. However, the COVID-19 public health crisis has prompted serious and exceptionally unprecedented circumstances, particularly in Spain where the declaration of successive states of emergency (implementing, among others, measures restricting freedom of circulation and assembly) has greatly hindered certain business activities and prevented the Company from advancing and duly completing the process to identify and select potential women candidates for the Board as planned, prior to the annual shareholders meeting in June 2020 when the directorships of several board members expired.

Thus, in the process of reelecting or replacing the board members whose directorships expired in June, the corresponding suitability assessments were made based on the matrix of competences required of board members, taking into account both the results of the Board's 2019 evaluation as well as the Company's circumstances at that time, all of which made the reelection of those directors advisable, in order to continue the work and actions of the Board then underway, as well as to ensure the increased effectivity of its functions and the contribution of its members.

These decisions were ratified by the Board at the annual shareholders meeting held on June 29, 2020.

ii) At the extraordinary shareholders meeting held on December 18, 2020 the removal of Mr. Javier Monzón de Cáceres was approved and, as indicated previously, Ms. Sonia Dulá presented her resignation as board member on that same date.

At that time, it was deemed appropriate to initiate an evaluation to appoint two new directors to fill those vacancies, to ensure the normal functioning of the Company's management bodies. An analysis was made of the Board's needs, taking into consideration the matrix of competences required of directors, and only four days later on December 22, 2020 and at the CNRGC's proposal, the Board of Directors approved the interim appointment of two independent directors.

With such short notice, no appropriate women candidates were found and, moreover, in view of the circumstances and given that the candidates were qualified, there was no substantial reason for not appointing them to the vacant directorships.

Both the CNRGC and the Board of Directors have recognized that resolving the Board's lack of gender diversity is a priority for future improvement.

16. That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.**
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.**

Compliant

The Company has 11 non-executive directors, of which 5 (that represent 45.45% of the total non executive directors) are proprietary.

The proprietary directors represent the significant shareholders Amber Capital, International Media Group, Consorcio Transportista Occher and Rucandio which, jointly, as of December 31, 2020, represent the 47.612% of the capital stock of the Company.

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together

control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Compliant

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.**
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.**
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.**
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.**
- e) The shares and options they own.**

Compliant

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Does not apply

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Compliant

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if

the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Compliant

- 22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.**

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented

Compliant

- 23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.**

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Compliant

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Compliant

Mr. Javier Monzón de Cáceres, who held the non-executive chairmanship of the Board of Directors, was ceased as a director at the Extraordinary Shareholders' Meeting held on December 18, 2020, upon approval of the proposal raised by shareholder Amber Capital, with the favorable vote of 52.201% of the quorum of the meeting.

During the holding of the Shareholders' Meeting (in which the rest of the members of the Board of Directors were present), Mr. Monzón gave his opinion on the proposal for his removal, presented by the aforementioned shareholder. The Shareholders' Meeting was broadcast via streaming, so that all investors and other interest groups had access to the statements made by Mr. Monzón. However, once the Shareholders' Meeting was over, the Company formally published the cessation of Mr. Monzón through the corresponding communication of privileged information sent to the CNMV, as well as the appropriate press release.

Also on December 18, 2020, the director Ms. Sonia Dulá presented her resignation, and explained the reasons in a letter that was sent to all the members of the Board of Directors. The corresponding communication was also made to the CNMV.

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board rules establish the maximum number of company Boards on which directors may sit.

Compliant

26. That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Compliant

27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Compliant

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Compliant

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Compliant

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require

Compliant

31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Compliant

32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Compliant

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Compliant

34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Compliant

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Compliant

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.**
- b) The workings and composition of its committees.**
- c) Diversity of membership and competence of the Board of Directors.**
- d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.**
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.**

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a

starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Partially compliant

The Regulations of the Board of Directors provides for the procedure to carry out the annual evaluation of the Board. In 2020 the Company has carried out the annual evaluation with the support of an external consultant. Nevertheless, no evaluation had been carried out of the individual contribution and performance of each Board member in 2020.

The Company does not consider it appropriate to publish in the IAGC the business relationships it has maintained during the fiscal year with KPMG, a firm that has assisted the Company, in 2020, to carry out the annual evaluation of the Board for fiscal year 2019.

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Compliant

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Compliant

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Compliant

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Compliant

- 41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.**

Compliant

- 42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:**

1. With regard to information systems and internal control:

- a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.**
- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.**
- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.**
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.**

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.**

- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.**
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.**
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.**
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence**

Compliant

- 43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.**

Compliant

- 44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.**

Compliant

- 45. That the risk management and control policy identify or determine, as a minimum:**

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.**
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.**
- c) The level of risk that the company considers to be acceptable.**
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.**

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks

Compliant

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.**
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.**
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.**

Compliant

47. That members of the appointment and remuneration committee -- or of the appointments committee and the remuneration committee if they are separate - are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Compliant

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Does not apply

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Compliant

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.**
- b) Verify compliance with company remuneration policy.**
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.**
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.**
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.**

Compliant

51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Compliant

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are comprised exclusively of non-executive directors, with a majority of them independent.**
- b) That their chairmen be independent directors.**
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.**
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.**
- e) That their meetings be recorded and the minutes be made available to all directors.**

Compliant

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Compliant

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.**
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.**
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.**
- d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.**
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled**

Compliant

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct**

- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.**
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.**
- d) Channels of communication, participation and dialogue with stakeholders.**
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.**

Compliant

- 56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.**

Compliant

- 57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.**

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Compliant

- 58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.**

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.**
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.**

- c) **Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.**

Compliant

- 59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.**

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Compliant

- 60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.**

Compliant

- 61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.**

Compliant

- 62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.**

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require

Compliant

- 63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.**

Compliant

- 64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.**

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Partially Compliant

Pursuant to the provisions of the services contract between the Company and the CEO (Mr. Manuel Mirat), in the event the Company unilaterally terminates the contract or in the event of the CEO's breach of that contract, the CEO would have the right to receive: i) severance pay calculated in accordance with labor laws governing suspended employment contracts; ii) a cash compensation equivalent to 18 months of his annual fixed and variable remuneration on the date of termination, calculated based on the established fixed and variable target remuneration for that year; and iii) a post-contractual non-compete compensation equivalent to six months of his last gross fixed salary. Moreover, the termination of the CEO's contract entitles him to receive an additional amount equal to the unemployment benefit provided for at that time, taking as a reference the maximum base contribution and, likewise, the maximum term for which that benefit is granted.

It should be borne in mind that the aforementioned compensation for the currently-suspended employment contract derives from Mr. Mirat's previous employment contract with the Company, which is presently suspended, and not from the services contract governing Mr. Mirat's executive functions as CEO. In consequence, there are two possible scenarios: i) terminating the services contract governing Mr. Mirat's executive functions as CEO while simultaneously reactivating Mr. Mirat's currently-suspended employment contract with the Company, in which case Mr. Mirat would not be entitled to receive severance pay, and the recommended compensation limits would apply, or ii) terminating the services contract governing Mr. Mirat's executive functions as CEO and not reactivating Mr. Mirat's currently-suspended employment contract with the Company, in which case Mr. Mirat would be entitled to receive the aforementioned severance pay and the recommended compensation limits would not apply and, thus the compensation envisioned for termination of contract would exceed an amount equivalent to two years of his total annual remuneration.

H FURTHER INFORMATION OF INTEREST

- 1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.**
- 2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.**

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

- 3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010**

-With regard to Section A.5 of this report, see section D.

- With regard to Section B.2 of this report, it should be underscored that in the Company's internal regulations (Articles of Association, General Meeting Regulations and Board of Directors Regulations) the power to issue non-convertible bonds has been transferred from the General Meeting to the Board. Therefore, although those regulations stipulate the same qualified majorities as are set out in article 201.2 of the LSC for the cases provided for in article 194.1 of the LSC, the quorums and qualified majorities required for the issue of bonds by the General Meeting apply exclusively to resolutions for the issue of convertible bonds.

- With regard to Section B.2 of this report, it should be underscored that the co-optation onto the Board of Mr. Manuel Mirat Santiago, carried out by the Board of Directors of 30.06.2017, was ratified by the shareholders at the Extraordinary General Meeting held on 15.11.2017. Thus, the date of his appointment was 30 June 2017, although following CNMV criteria, the table above shows the date the appointment was ratified.

-With regard to Section C.1.37 of this report it should be underscored that within the framework of preliminary hearing 85/2014 by Central Magistrates' Court 6 of the National Court and specifically concerning case file 9, on September 2, 2019, the judge served a writ of summons on Mr. Javier Monzón, (prior non executive Chairman of Prisa's Board of Directors until his cessation on December 2020) to appear before the court in the preliminary hearing for interrogation. The events under investigation concern the company Indra, S.A. during a period when Mr Monzón was its executive chairman. These matters were duly disclosed in the Annual Corporate Governance Report and the Annual Report of this Committee for 2019. In May 2020 the Nominations, Compensation and Corporate Governance Commission closed its investigation concerning the legal proceedings affecting Mr. Javier Monzón de Cáceres following the court ruling dismissing the case against Mr. Monzón.

-As PRISA's ADS are not listed on the NYSE (see Section A.14 of this Report), the Company is not subject to the corporate governance requirements specified by the Securities Exchange Act, the Sarbanes-Oxley Act and the NYSE.

-Prisa does not prepare any annual corporate governance report other than this one.

- The Company is not a signatory to the Code of Best Tax Practices of 20 July 2010.

- Lastly it is placed on record, in general for the entire Report that the taxpayer identification numbers (CIF) attributed to certain natural and legal persons are fictitious and have only been included to be able to complete the electronic template.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on March 23, 2021.

State whether any directors voted against or abstained from voting on this report.

NO

**Independent Assurance Report on the "Information Regarding
Internal Control over Financial Reporting (ICFR) System"**

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

2020

INDEPENDENT ASSURANCE REPORT ON THE "INFORMATION REGARDING THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEM"

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

To the Shareholders of PROMOTORA DE INFORMACIONES, S.A.:

Scope of the work

We have examined the accompanying information on the Internal Control over Financial Reporting (ICFR) system of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries (the "Group" or "PRISA Group") contained in Section F of the Annual Corporate Governance Report for the year ended December 31, 2020.

The objective of this system is to contribute to the faithful representation of the transactions performed and to the provision of reasonable assurance in relation to the prevention or detection of any errors that might have a material effect of the consolidated financial statements.

The aforementioned system is based on the rules and policies defined by the Boards of Directors of PROMOTORA DE INFORMACIONES, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report.

A system of internal control over financial reporting is a process designed to provide reasonable assurance on the reliability of financial information in accordance with the accounting principles and standards applicable to it. A system of internal control over financial reporting includes policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail, (ii) guarantee that these transactions are performed only in accordance with the authorizations established; (iii) provide reasonable assurance that transactions are recognized appropriately to enable the preparation of the financial information in accordance with the accounting principles and standards applicable to it; and (iv) provide reasonable assurance in relation to the prevention or timely detection of unauthorized acquisition, use or sale of the company's assets that could have a material effect on the financial information. In view of the limitations inherent to any system of internal control over financial reporting, certain errors, irregularities or fraud might not be detected. Also, the projection to future periods of an evaluation of internal control is subject to risks, including the risk that internal control may be rendered inadequate as a result of future changes in the applicable conditions or that there may be a reduction in the future of the degree of compliance with the policies or procedures established.

Directors' Responsibility

The Directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for maintaining the System of Internal Control over Financial Reporting included in the consolidated financial statements and for evaluating its effectiveness.

Our responsibility

Our responsibility is to issue an independent assurance report on the effectiveness of the System of Internal Control over Financial Reporting (ICFR) based on the work performed by us.

Our work includes an evaluation of the effectiveness of the system of ICFR in relation to the financial information contained in the PRISA' Group consolidated financial statements as at December 31, 2020, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

We have carried out our reasonable assurance work in accordance with the requirements established by the International Standard on Assurance Engagements (ISAE) 3000 revised, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

Reasonable assurance work includes comprehension of internal control over financial information contained in the financial statements; risk evaluation regarding possible material errors within them; tests and evaluations on design and daily effectiveness of the system and the use of any other procedures we considered necessary. We consider that our audit provides a reasonable basis for our opinion.

Independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which are based on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behavior.

Our Firm applies the International Standard on Quality Control No 1 (ISQC 1) and therefore maintains a global system of quality control, which includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable legislation.

Conclusion

In our opinion, at December 31, 2020, the Group had, in all material respects, an effective System of Internal Control over Financial Reporting contained in its consolidated financial statements, and this internal control system is based on the rules and policies defined by the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report. Also, the disclosures contained in section F of the Annual Corporate Governance Report at December 31, 2020 comply, in all material respects, with the requirements established in article 540 of the Corporate Enterprises Act, ECC order /461/2013 of March 20, Circular 1/2020, of October 6, which amends Circular 7/2015, of December 22, which amends Circular 5/2013, of June 12, and Circular 2/2018 of June 12 of the Spanish National Securities Market Commission (CNMV).

Other matters

This report can under no circumstances be considered an audit report carried out in accordance with prevailing audit regulations in Spain. Nevertheless, in accordance with prevailing audit regulations in Spain, we have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries for the year ended December 31, 2020, prepared by the directors in accordance with the International Financial Reporting Standards as adopted by the European Union, and other financial reporting framework provisions applicable to the PRISA Group in Spain and our report issued on March 23, 2021 on the consolidated financial statements expressed an unqualified opinion.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Antonio Vázquez Pérez

March 23, 2021