



REPORT OF THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. ON THE AMENDMENT OF THE BOARD OF DIRECTORS REGULATION.

The Board of Directors of PROMOTORA DE INFORMACIONES, S.A. (**PRISA** or the **Company**), at the request of the Chairman of the Corporate Governance Committee, following a favourable report from the Corporate Governance Committee, the Appointments and Remuneration Committee and the Audit Committee, according to the subject-matter, and in accordance with article 528 of the Capital Companies Act [*Ley de Sociedades de Capital*] and article 3 of the Board of Directors Regulation [*Reglamento del Consejo de Administración*], has resolved in its meeting on 27 February 2015 to approve the amendment of certain articles of the Board of Directors Regulation, in order to:

- (i) adapt it to the provisions of Act 31/2014 of 3 December 2014, the Capital Companies Act, which amends the Capital Companies Act for the improvement of corporate governance, and to the amendments of the Articles submitted for the approval of the next Ordinary General Meeting of Shareholders under item five of its Agenda;
- (ii) incorporate certain recommendations in relation to good corporate governance;
- (iii) bring it into line with the internal situation and the Company's customary corporate governance practices; and
- (iv) make technical improvements of a purely formal, systematic or grammatical nature.

The Board has also approved a consolidated text of the Board of Directors Regulation, solely for the purposes of including the articles that have been amended and ensuring that all the provisions of the Regulation are incorporated into a single public instrument.

The effectiveness of the resolutions to amend the Board of Directors Regulation and to approve the consolidated text of it is conditional upon the approval of the resolutions to amend the Articles included under item five of the Agenda for the next Ordinary General Meeting of Shareholders and their registration in the Companies Register.

The following articles of the Board of Directors Regulation have been amended:

- Article 3 (**Amendment**) incorporates the requirement that proposed amendments to the Regulation that affect the authority or operating procedures of the Technological

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Transformation Committee must be reported on by it, as is the case with the other Board Committees.

- Article **5 (Functions)** incorporates, on the basis of the non-delegable authority conferred until now on the Board of Directors and in line with the proposed amendment of article 20, which becomes article 23, of the Articles, the authority referred to in articles 249 bis, 529 ter and 529 nonies LSC.
- Article **7 (Other Interests)** changes its title to “*Corporate Responsibility*” in order to give greater weight to its content.
- Article **8 (Kinds of Directors)**: (i) refers, in relation to the classification of Directors, to the definitions and criteria contained in the regulations applicable from time to time; (ii) includes the duty of the Board to ensure that the criteria used in the procedures for selecting Directors favour diversity of gender, experience and knowledge (article 529.bis.2 LSC); and (iii) removes the reference to the NYSE, because the Company’s shares are no longer quoted on the US market.
- A new article **10 (Limitations on Positions of Directors)** is introduced to reflect the recommendation that listed companies establish rules on the number of boards on which their directors may serve.
- The old article **10 (Chairman of the Board)** becomes article 11 and it: (i) sets out that the Chairman may or may not be an executive Director, regulating his functions in each case; (ii) includes the provision that the designation of the Chairman of the Board requires a prior report from the Appointment and Remuneration Committee (article 529 sexies LSC); and (iii) clarifies the provision relating to the chairmanship of the General Meeting in line with the provision of article 15.5, which becomes article 16.5, of the Articles.
- Introduces a new article **12 (Coordinating Director)** so that, in line with the proposed amendment of article 17, which becomes article 19, of the Articles, it includes the appointment of the Coordinating Director and his functions (article 529 septies LSC).
- Introduces a new article **13 (Honorary Chairman)** to include the regulation of this figure, which until now did not have an express regime.
- Article **11 (Managing Director)** becomes article 14 and: i) includes the provision that the Managing Director is appointed by the Board following a report from the Corporate Governance Committee and the Appointment and Remuneration Committee; and ii)

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defines the authority of the Managing Director according to whether or not the Chairman is an executive Director.

- Article **12 (Vice Chairman or Chairmen)** becomes article 15 and includes, in relation to the designation, the requirement for a prior report from the Appointment and Remuneration Committee (article 529 sexies LSC), and it adapts its wording to the provisions of articles 17 and 21, which become articles 19 and 24, of the Articles.
- Article **13 (Secretary of the Board)** becomes article 16 and: (i) incorporates the requirement for a prior report from the Appointment and Remuneration Committee and the Corporate Governance Committee for the appointment and removal of the Secretary and Assistant Secretary; (ii) brings its wording into line with articles 17 and 21, which become articles 19 and 24, of the Articles; and (iii) includes the function of the Secretary to assist the Chairman in seeing to it that Directors receive the relevant information for the exercise of their duties sufficiently in advance and in the appropriate format (article 529 octies LSC).
- Article **14** becomes article 17 (“Executive Committee”) and: (i) includes, in relation to its composition, that it will be comprised of at least one third of the Board members and of a majority of non-executive Directors; (ii) sets out the alternatives for the chairmanship of the Executive Committee, depending on whether or not the Chairman of the Board is an executive Director; (iii) establishes that on an exceptional basis members who cannot attend may be represented by another Committee member; and (iv) clarifies the information that the rest of the Board members will receive about the business conducted in its meetings.
- Article **15 (Meetings of Board of Directors)** becomes article 18 and: brings its wording into line with the proposed new wording of article 29 of the Articles, including the fact that the Board must meet at least once each quarter (article 245 LSC) and establishing the requirements for requesting that a meeting be called.
- Article **16 (Conduct of Meetings)** becomes article 19 and (i) regulates the duty to attend Board meetings personally and deals with representation in the event that the Director is unable to attend, in line with the proposed new wording of article 30 of the Articles and in accordance with article 529 quáter LSC; and (ii) adapts its wording to that of article 247.2 of the LSC, replacing in paragraph 1 the expression “*half plus one*” with “*majority*”.
- Article **17 (Appointment of Directors)** becomes article 20 and removes the authority of the Corporate Governance Committee in relation to the proposal to appoint

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independent Directors, which is attributed in article 529 quincecies LSC to the Appointment and Remuneration Committee.

- Article **18** becomes article 21 (Designation of Directors) and adapts its wording to the requirements of paragraph 5 of article 529 decies LSC that the proposal to appoint Directors must be accompanied in all cases by an explanatory report from the Board that evaluates the competence, experience and merits of the proposed candidate.
- Article **19 (Re-Election of Directors)** becomes article 22 and includes the authority of the Appointment and Remuneration Committee in relation to the proposed re-election of independent Directors (articles 529 decies and 529 quincecies LSC).
- Article **20 (Term of Office)** becomes article 23 and (i) reduces the term of office from five to four years (article 529 undecies LSC); and: (ii) incorporates the exceptional case of Directors appointed by co-option to cover a vacancy that has arisen after the General Meeting is called and before it is held (article 529 of the decies LSC).
- Article **21 (Removal of Directors)** becomes article 24 and in paragraph 3 attributes to the Appointment and Remuneration Committee the function of reporting prior to the removal of Directors that until now has been attributed to the Corporate Governance Committee (article 529 quincecies.3.c) LSC).
- Article **22 (Objectivity and Secrecy of Voting)** becomes article 25 and: paragraph 1 of it is removed, the contents of which are covered by article 37 (Duty of loyalty).
- Article **23 (Introduction)** becomes article 26 (Board Committees) and (i) incorporates the duty to have Committee minutes available to Board members (article 529.3 terdecies LSC); and (ii) includes the Technological Transformation Committee.
- Article **24 (Audit Committee)** becomes article 27 and: (i) establishes that all of the members of the Audit Committee must be non-executive Directors and that at least two of them must be independent Directors in accordance with article 529 quaterdecies LSC; (ii) defines the authority of the Audit Committee by reference to the legislation applicable from time to time; and (iii) removes the reference to the NYSE.
- Article **25 (Appointment and Remuneration Committee)** becomes article 28 and is amended in order to: (i) incorporate the requirement of article 529 quincecies LSC that the Appointment and Remuneration Committee be made up of at least two independent Directors and establish that the Chairman will be designated from the independent Directors; (ii) adapt the Committee's functions to the provisions of the said article; (iii) incorporate the requirement for a prior report of the Committee in order to remove the

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Secretary and Assistant Secretary of the Board (article 529 octies LSC); (iv) incorporate the authority of the Board to report on the appointment of the individual representative of a Director that is a legal person (article 529 decies LSC); and (v) include the authority to propose the appointment of independent Directors (article 529 decies LSC), attributed until now to the Corporate Governance Committee.

- Article **26 (Corporate Governance Committee)** becomes article 29 and is amended in order to: (i) incorporate the authority of the Corporate Governance Committee to propose to the Board the appointment of the person who will act as Coordinating Director; (ii) adapt paragraph 3.a)vi) to the function of the Coordinating Director to present the evaluation of the Executive Chairman (article 529 septies LSC); (iii) incorporate into the aforementioned paragraph the authority of the Board to evaluate the performance of its Committees and to propose an action plan on the basis of the results (article 529 nonies LSC); and (iv) remove the authority to propose the appointment of independent Directors which must be attributed to the Appointment and Remuneration Committee (article 529 decies LSC), along with certain other functions which, in accordance with the provisions of the LSC, correspond to the Appointment and Remuneration Committee or the Audit Committee.
- A **new article 30** is introduced (**Technological Transformation Committee**) which regulates the Technological Transformation Committee.
- Article **27 (Rights of Information and Examination)** becomes article 31 and establishes: (i) that Directors have a duty not just a power to request information in the performance of his function (article 225.3 LSC); and (ii) the duty to make the minutes available to all Directors (article 529 terdecies.3 LSC).
- Article **28 (Expert Assistance)** becomes article 32 and establishes the need for prior authorisation from the Board to engage experts in specific circumstances.
- Article **29 (Director Compensation)** becomes article 33 and is amended to incorporate: (i) the provisions of articles 217.4 and 541 THE CAPITAL COMPANIES ACT; and (ii) the need for compensation linked to Company earnings to take account of any qualifications stated in the audit report that reduce those earnings.
- Article **30 (Compensation of Executive Directors)** becomes article 34 and is amended to: (i) incorporate the provisions of the proposed new wording of article 22 of the Articles and the provisions relating to the duty to enter into a contract between the Company and the executive Directors (articles 249 and 529 quindecies LSC); and (ii) to move to this article of the Board Regulation the content of the current article 25 of the Articles which is consolidated in the new wording of article 22.

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- Article **32 (General Director Duties)** becomes article 36, changes its title to “*General Director Duties. General Duty of Diligence*” and adapts its wording to the provisions of articles 225 and 226 LSC, in relation to the general duty of diligence and the protection of business discretion.
- Article **33** becomes article 37, changes its title to “Duty of Loyalty” and the provisions of articles 227 and 228 LSC are incorporated into it.
- **Articles 34 (Director Duty of Confidentiality) and 35 (Non-compete Obligation)** are merged in article 38, under the title “Conflicts of Interest and Transactions with Directors”, which is modified to include the provisions of articles 228 to 230 (obligations deriving from the duty of loyalty and duty to avoid situations of conflict of interest) and 529 ter LSC (non-delegable power of the Board to approved related-party transactions with Directors).
- Article **36 (Transactions with Significant Shareholders)** becomes article 39 and the provisions of article 529 ter.1.h) LSC are incorporated into it.
- In **articles 1 (Purpose), 9 (Number of Directors), 38 (Relationships with Shareholders)**, which becomes article 41, and **article 40 (Relationships with Auditors)**, which becomes article 43, changes of a merely formal nature are introduced in order to improve the wording.
- **Articles 31 (Compensation of External Directors), 37 (Principle of Transparency), and 39 (Relations with Markets)** become, respectively, articles 35, 40 and 41 and keep their current wording.

The consolidated text of the Board of Directors Regulation which contains the agreed changes is attached to this report as a schedule.

27 February 2015

**BOARD OF DIRECTORS REGULATION OF PROMOTORA DE
INFORMACIONES, S.A.**

Chapter I.- PRELIMINARY

Article 1.- Purpose.

1. The purpose of this Regulation is to establish the operating principles of the Board of Directors of Promotora de Informaciones, S.A. (hereinafter "**PRISA**" or the "**Company**"), the basic rules for its organisation and functioning and the rules of conduct for its members.
2. The code of conduct established in this Regulation for Directors will, to the extent compatible with their specific nature, be applicable to senior managers of the Company that attend the meetings of the Board of Directors.

Article 2.- Interpretation.

This Regulation will be interpreted in accordance with the applicable legal and Articles rules, based fundamentally on the spirit and purpose thereof, with the Board of Directors having authority to resolve doubts in interpretation that may arise in application hereof.

Article 3.- Amendment.

1. This Regulation may only be amended on initiative of the Chairman, the Corporate Governance Committee or one third of the serving Directors, which must be accompanied by their proposal and an explanatory memorandum.
2. Proposed amendments must be reported on by the Corporate Governance Committee. If they affect the authority or operating procedures of the Appointment and Remuneration Committee or the compensation scheme for Directors or management personnel they must be accompanied by a report of the Appointment and Remuneration Committee. If they affect the authority or operating procedures of the Audit Committee they must be accompanied by a report of the Audit Committee. Similarly, if they affect the authority or operating procedures of the committee for Strategic Digital Change the proposed amendments must be accompanied by a report of the Committee for Strategic Digital Change.
3. The text of the proposal, the explanatory memorandum of the authors thereof and the reports of the Corporate Governance Committee and, if applicable, of the Appointment and Remuneration Committee and/or the Audit Committee must be attached to the call of the meeting of the Board is that is to consider the matter.
4. The amendment of the Regulation for validity will require a resolution adopted by the absolute majority of the members of the Board.

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Article 4.- Dissemination.

1. The Directors and senior managers of the Company and the companies in its Group will be required to be familiar, comply and cause compliance with this Regulation. To that end, the Secretary of the Board will provide each of them with a copy thereof.
2. The Board of Directors will adopt such measures as may be appropriate in order for the Regulation to be disseminated among shareholders and the general investing public.

Chapter II.- BOARD MISSION.

Article 5.- Functions.

1. Except for matters reserved to the General Meeting, the Board of Directors is the highest decision-making body within the Company.

The Board policy will be to focus its activity on the general functions of supervision and determination of policies and strategies of the Company, and to delegate ordinary management of the Company to the Chief Executive Officer and, if applicable the Executive Chairman, with the assistance of the Company's management team.

2. Authority that is non-delegable by law or in accordance with the Articles may not be delegated. Nor may such authority as the General Meeting has given to the Board without express authorisation of delegation. In any event the Board of Directors of the Company will reserve the following for its review and exclusive decision:

a) Determination of the general policies and strategies of the Company, in particular:

- i) approval of the Strategic or Business Plan, as well as the annual budgets and management objectives;
- ii) determination of investment and financing policy;
- iii) definition of the structure of the Group of companies of which the Company is the controlling entity;
- iv) determination of the corporate governance policy of the Company and the Group of which it is the controlling entity;
- v) the corporate social responsibility policy;
- vi) the policy for management and control of risks, including tax risks, and supervision of the internal information and control systems;
- vii) definition of the dividend policy; and

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- viii) determination of the tax strategy of the Company.
- b) Approval of financial projections, as well as strategic alliances of the Company or its controlled companies, and the policy regarding treasury shares.
- c) Supervision of effective functioning of the committees it has constituted and the actions of the delegated bodies and executives it has appointed.
- d) Authorisation or waiver of the obligations deriving from the duty of loyalty.
- e) Any proposed amendment of the Company's corporate purpose.
- f) Its organisation and functioning and, in particular, approval and amendment of this Regulation.
- g) Preparation of the annual accounts and their presentation to the General Meeting.
- h) Approval of the financial information listed companies must periodically disclose.
- i) Making any kind of report required by law to the Board of Directors, provided that the matter covered by the report is nondelegable.
- j) Appointment and removal of Chief Executive Officer of the Company, delegation of authority, as well as establishment of the terms of their contracts.
- k) Appointment and removal of the executives reporting directly to the Board or any of its members, as well as establishment of the basic terms of their contracts, including their compensation.
- l) Proposal of the general compensation policy, and decisions related to compensation of Directors, within the framework of the Articles and the compensation policy approved by the General Meeting.
- m) Calling general meetings and preparing the agenda and the proposed resolutions.
- n) Approval of investments or transactions of any kind that by reason of their high amount or special characteristics are strategic or pose a special tax risk for the Company or the investee or controlled companies in question, unless approval thereof corresponds to the General Meeting, inter alia including the assumption of financial risks or making of derivative financial commitments, including but not limited to loans, credits, guarantees or other security.
- o) Approval of the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens, and any other transactions or operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.

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- p) Those resolutions related to mergers, splitups and any relevant decision having to do with the status of the Company as a listed company, unless approval thereof corresponds to the General Meeting.
 - q) Approval, after a report from the Audit Committee, of related party transactions, on the terms contemplated in this Regulation.
 - r) Annual evaluation of the functioning of the Board of Directors, the functioning of its Committees, and proposal, based on the results, of an action plan correcting detected deficiencies.
 - s) The powers the General Meeting has delegated to the Board of Directors, unless expressly authorised by it to subdelegate them.
3. Resolutions related to the matters indicated in 2.n) and 2.o) above, the amount of which is not more than ten million (10,000,000) euros, may be adopted by the Delegated Commission in cases of urgency, duly justified, and must be ratified at the first Board meeting held after adoption of the resolution.

Article 6.- Objectives.

1. The criteria that at all times must prevail in the actions of the Board of Directors are as follows: fulfilment of the corporate purpose, defence of the long term viability of the business and development of its actual value, safeguarding the identity and the professional and ethical principles of the Group's publishing and media.
2. Within the scope of corporate organisation, the Board will adopt the measures necessary to ensure that:
 - a) The company's management seeks creation of value for the shareholders and has the proper incentives to do so;
 - b) The company's management is under effective supervision of the Board;
 - c) No shareholder is treated better than others.

Article 7.- Corporate Responsibility.

The creation of value of the business in the interests of the shareholders necessarily must be developed by the Board of Directors, respecting the requirements imposed by law, in good faith complying with explicit and implicit contracts entered into with workers, suppliers, financial backers and customers and, in general, observing the ethical principles inherent in responsible conduct of the Company.

Chapter III.- BOARD COMPOSITION

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Article 8.- Kinds of Directors.

1. The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.
2. For purposes of the provisions of the preceding section, the Company will adjust its classification of the various kinds of Directors to the definitions contained in the regulations applicable from time to time.
3. The nature of each Director will be explained by the Board of Directors before the General Shareholders Meeting which will effectuate or ratify his appointment and confirm this appointment or, if applicable, revise it annually in the Annual Corporate Governance Report, after verification by the Corporate Governance Committee.
4. The provisions of this article are understood to be without prejudice to the right of proportional representation legally recognised for shareholders.
5. Also, the Board of Directors will ensure that the procedures for selection of its members favour diversity of gender, experience and knowledge and do not suffer from implicit bias that could imply any discrimination.

Article 9.- Number of Directors.

1. The Board of Directors will be comprised of the number of Directors determined by the General Meeting within the limits set by the Company's Articles.
2. The Board will propose to the General Shareholders Meeting the number of Directors that, in accordance with the Company's changing circumstances, is most appropriate to ensure the due representativeness and proper functioning thereof.

Article 10.- Limitations on Positions of Directors.

1. The executive Directors of the Company may not serve as directors of more than four (4) companies other than the Company and its Group, the shares of which are admitted to trading on domestic or foreign stock exchanges. They also may not assume executive functions of any kind within such companies.
2. The non-executive Directors of the Company may not serve as directors of more than four (4) companies other than the Company and its Group, the shares of which are admitted to trading on domestic or foreign stock exchanges.
3. For purposes of the rules established in 1 and 2 above:
 - a) All of the administration bodies of companies that are a part of the same group, as well as those of which a Director is a member in the capacity of a proprietary Director proposed by any company in that group, will be considered to be a single

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administration body, even if the equity interest in or the degree of control over the company does not allow it to be considered to be a member of the group; and

- b) The administration bodies of family-held holding companies or companies that serve as vehicles for the exercise of the profession of the Director, the Director's spouse or a person with a comparable relationship, or the Director's closest relatives, are not included.
- c) By way of exception, for duly justified reasons, the Board of Directors may exempt a Director from this prohibition.

Chapter IV.- STRUCTURE OF BOARD OF DIRECTORS

Article 11.- Chairman of the Board.

1. The Board of Directors, after a report from the Appointment and Remuneration Committee and the Corporate Governance Committee, from its members will designate its Chairman. Without prejudice to the authority contemplated in the Articles, the Chairman, if applicable, will chair the General Shareholders Meeting.
2. The Chairman will be responsible for the functions of organisation of the Board and promotion and development of good governance of the Company. Within his organisation functions, he will ensure that the Directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their right to freely express and adopt positions; he will organise and coordinate with the chairman of the relevant Committees the regular evaluation of the Board and, where appropriate, the Chief Executive Officer. He will ensure compliance with the Articles of Association and other internal rules of the Company, and faithful implementation of the resolutions of the General Meeting, the Board of Directors and the Delegated Commission. Also, he will have authority to propose appointments to and changes in the various positions on the Board.
3. The Board of Directors may delegate to the Chairman, in whole or in part, all authority and competence of the Board which are susceptible of delegation by law, the Articles and the Regulations, in which case he will have the status of executive Chairman.

In this case, the Chairman of the Board of Directors will be designated with the favourable vote of two thirds of the members of the Board, will chair the Delegated Commission, will be the chief executive in management of the Company and the one ultimately responsible for senior management thereof, also having the following functions:

- a) Reporting to the Board and the Delegated Commission on fulfilment of the objectives set by the Board of Directors and, in general, the progress of the business.

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- b) Directing the general governance and organisation of the Company.
- c) Supervising the ordinary management of the Business, which will correspond to the position of Chief Executive Officer.
- d) Exercising top-level oversight of the Company.
- e) Together with the Chief Executive Officer and senior management, keeping abreast of the progress of the business.

Article 12 .- Coordinating Director.

1. If the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called, to coordinate and meet with the non-executive Directors and, if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.
2. The position as Coordinating Director will be exercised for a maximum term of two years, with re-election permitted.

Article 13.- Honorary Chairman.

1. The Board of Directors may grant the distinction of Honorary Chairman to a person that has held the position of Chairman of the Board of Directors and, by reason of his merits and extraordinary dedication to the Company, deserves to achieve that category after ceasing to be a member of the Board of Directors.
2. The resolution appointing the Honorary Chairman adopted by the Board of Directors must be preceded by the corresponding report of the Corporate Governance Committee and the Appointment and Remuneration Committee.
3. The distinction of Honorary Chairman is an honorific title and, therefore, the Honorary Chairman is not a member of the Board of Directors. Nonetheless, the Honorary Chairman must comply with the obligations deriving from the duty of loyalty, legally imposed on Directors.
4. The appointment of the Honorary Chairman may be revoked by the Board, based on the circumstances of each case.
5. The Honorary Chairman may attend all meetings of the Board of Directors, with voice but no vote. He must be called to meetings in due form by the Chairman of the Board.

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Article 14.- Chief Executive Officer.

1. The Board of Directors, after a report from the Corporate Governance Committee and the Appointment and Remuneration Committee, will appoint a Chief Executive Officer, to which it will delegate all authority and competence of the Board that are susceptible of delegation by law, the Articles and the Regulations.
2. If, in accordance with the provisions of article 11.3 of this Regulation, the Chairman of the Board of Directors has the status of executive Chairman, the Chief Executive Officer will be the principal collaborator of the Chairman in exercise of the functions attributed to him under this Regulation, in addition being responsible for ordinary management of the business.
3. If the Chairman of the Board of Directors does not have the status of executive Chairman, the Chief Executive Officer will be the chief executive and responsible for management of the Company, and will have the functions contemplated for the executive Chairman in article 11.3 of this Regulation.

Article 15.- Deputy Chairman or Chairmen.

1. The Board, after a report from the Appointment and Remuneration Committee and the Corporate Governance Committee, may designate one or more Deputy Chairmen, who will replace the Chairman, in the event of temporary absence, temporary disability or express delegation by the Chairman, as regards the functioning of the Board of Directors, and will have the other authority contemplated in article 24 of the Articles of Association.
2. If there are multiple Deputy Chairmen, absent a resolution to the contrary the first Deputy Chairman will preside and, in the absence of all Deputy Chairmen, the Director designated by the Board of Directors will preside.

Article 16.- Secretary of the Board.

1. The Board of Directors will appoint a Secretary, the Secretary being required to be an attorney but not a Director.
2. The Secretary will assist the Chairman in his work and must promote the proper functioning of the Board, in particular seeing to retention of corporate documents, duly reflecting the conduct of meetings in the minute books, and certifying their content and the resolutions adopted, as well as assisting the Chairman in seeing to it that Directors receive the relevant information for exercise of their duties sufficiently in advance and in appropriate format.
3. The Secretary in any event will see to it that the actions of the Board are in accordance with applicable regulations and the Articles and other internal rules, assisting the Chairman of the Board as appropriate.

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4. The Board of Directors may appoint a Deputy Secretary, who need not be a Director, to assist the Secretary of the Board of Directors.
5. The appointment and, if applicable, removal of the Secretary and the Deputy Secretary will require a prior report from the Appointment and Remuneration Committee and the Corporate Governance Committee.
6. In the absence of the Secretary, his functions will be performed by the Deputy Secretary, if any, and in the absence thereof by the Director appointed for that purpose by the Board.

Article 17.- Delegated Commission

1. The Board of Directors will establish an Delegated Commission, which will be comprised of at least a third of the Board members and a maximum of eight (8) Board members. The Delegated Commission will be chaired by the Chairman of the Board of Directors, provided that the Chairman has the status of executive Chairman in accordance with article 11.3 of this Regulation, or, if not, by the Chief Executive Officer. The appointment of the members of the Delegated Commission will be made on proposal of the Chairman of the Board of Directors, with the favourable vote of two thirds of the Directors.

The composition of the Delegated Commission must be with a majority of non-executive Directors.

The members of the Delegated Commission will leave office when they leave office as directors, or when so resolved by the Board of Directors.

The Secretary of the Board will act as Secretary of the Committee. The provisions of article 16 above will also apply to the functioning of the Delegated Commission.

Without prejudice to the authority of the Chairman and the Chief Executive Officer, within the framework of the provisions of article 5 of this Regulation, the Delegated Commission will be delegated all authority and competence of the Board that are susceptible of delegation by law, the Articles and the Regulations.

2. The Delegated Commission will meet at least six (6) times each year and whenever it is in the interests of the Company in the judgment of the Chairman, which will call it sufficiently in advance, as well as when requested by two (2) or more of the members of the Delegated Commission.

A majority of the members, present in person or by proxy, will constitute a quorum for the transaction of business at meetings of the Delegated Commission. Members unable to attend may, on an exceptional basis, appoint another director who is a member of the committee to represent them.

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Resolutions will be passed by an absolute majority of the members of the Delegated Commission present in person or by proxy.

If not otherwise specifically provided, the operating rules established in this Regulation in respect of the board will be used, provided that they are consistent with the nature and function of this Committee.

When called by the Chairman of the Committee other Directors that are not members of the Committee may also attend its meetings, with voice but no vote, as may managers whose reports are necessary for the conduct of the business.

3. The Delegated Commission will prepare minutes of its meetings on the terms provided for the Board of Directors.
4. The Delegated Commission will report at the first full meeting of the Board subsequent to its meetings on its activities and will take responsibility for the work performed. The Board will always be apprised of the matters considered and decisions adopted by the Delegated Commission. All members of the Board will receive the information provided at meetings of the Delegated Commission, and copies of the minutes or pro formas thereof before the following meeting of the Board held subsequent to each meeting of the Delegated Commission.
5. The Delegated Commission may engage external advisors, when it feels this is necessary for the discharge of its duties.

Chapter V.- FUNCTIONING OF THE BOARD.

Article 18.- Meetings of Board of Directors.

1. The Board of Directors will meet at least once each quarter, and as often as deemed to be appropriate by the Chairman for the proper functioning of the Company, as well as when requested by three (3) or more Directors and when requested by at least one third of the Board members. In this case, the Chairman shall not delay sending the notice by more than five (5) days from the date the request is received.
2. Notice of Board meetings, which will always state the agenda of the meeting, will be given by mail, fax, telegram or e-mail, and will be authorised by the signature of the Chairman or of the Secretary or Deputy Secretary acting by order of the Chairman. Notice will be sent at least seven (7) days in advance of the meeting to the domicile or email address designated by each Director.

The call of the Board on the initiative of Directors must be sent within five (5) days following their request.

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3. The Chairman will see to it that the Directors have information regarding the progress of the business and other information necessary for deliberation and adoption of the resolutions proposed on the agenda for each meeting of the Board of Directors. The Directors must have the aforesaid information prior to the meeting, sufficiently in advance, unless the Board meets or is exceptionally called for reasons of urgency.
4. The Chairman will at all times be entitled to bring before the Board of Directors any matters it considers to be relevant to the Company's interests, regardless of whether or not those matters appear on the agenda for the meeting.
5. The advance notice requirement indicated in section 2 above will not apply when, in the Chairman's opinion, circumstances so warrant.
6. A meeting of the Board without a call is permissible if, all Directors being present, all of them agree to hold the meeting.
7. Adoption of Board resolutions in writing without a meeting will only be permitted when no Director opposes that procedure.

Article 19.- Conduct of Meetings.

1. There will be a quorum for a meeting of the Board when at least the majority of the Directors comprising the Board attend, in person or using any other technically possible means (videoconference, telephone or any other similar arrangement), or by proxy.
2. Directors must attend meetings personally, preferably being physically present. However, if it is impossible for a Director to attend, the Director will grant a proxy to another Director in attendance, that proxy being required to be in writing, and special for each meeting of the Board, instructing the representative regarding the view of the represented Director. Non-executive Directors may only grant proxies to another non-executive Director.
3. Unless the law requires a higher majority, resolutions will be adopted by absolute majority of the Directors attending in person or by proxy, with possible ties being decided by a casting vote of the Chairman.
4. The Chairman will organise the discussion, ensuring and encouraging the participation of all Directors in the deliberations of the body, and will submit the matters for vote when he deems them to have been sufficiently debated.
5. Each Director present in person or by proxy will have one vote.

Chapter VI.- APPOINTMENT AND REMOVAL OF DIRECTORS.

Article 20. Appointment of Directors.

(Free translation from the original in Spanish language)

1. Directors will be appointed by the General Meeting or, on a provisional basis, by the Board of Directors in accordance with the provisions of the applicable regulations and the Articles of Association.
2. The proposals for appointment of Directors that the Board of Directors submits for consideration of the General Meeting and the appointment resolutions adopted by the Board using the co-option authority legally attributed to it, must comply with the provisions of this Regulation and be preceded by the corresponding proposal, in the case of independent Directors, or report, for other Directors, of the Appointment and Remuneration Committee. Proposals for appointment of independent Directors in any event must be preceded by a report of the Corporate Governance Committee.

Article 21.- Designation of Directors.

1. Proposals for appointment of Directors in any event must attach an explanatory report of the Board of Directors that evaluates the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the General Meeting or of the Board.
2. In this regard, the Board of Directors and the Appointment and Remuneration Committee will endeavour, within the scope of their respective powers, to ensure that the chosen candidates are people of proven competence and experience.

Article 22.- Re-Election of Directors.

Proposals for re-election of Directors that the Board of Directors decides to submit to the General Meeting must be subjected to a formal process of preparation, requiring the following:

- i) in the case of independent Directors, a proposal from the Appointment and Remuneration Committee, after a report from the Corporate Governance Committee; and
- ii) in the case of other Directors, a report from the Appointment and Remuneration Committee.

The reports of the Committees will evaluate the performance and dedication of the proposed Directors to their positions during their prior terms.

Article 23.- Term of Office.

1. Directors will serve for a term of four (4) years. They may be re-elected.
2. Directors appointed by co-option may be ratified in their positions by resolution of the first General Meeting after their appointment.

(Free translation from the original in Spanish language)

If there is a vacancy after the General Meeting is called and before it is held, the Board of Directors may appoint a Director until the holding of the following General Meeting.

Article 24.- Removal of Directors.

1. Directors will leave office at the end of the term for which they were appointed, or when so decided by the General Meeting in use of the authority granted to it by law or the Articles.
2. Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign in the following cases:
 - 1) When they are subject to any of the circumstances of incompatibility or prohibition or grounds for removal contemplated by law.
 - 2) When a final order has been entered to prosecute them in an ordinary trial for serious crimes, or a judgement has been entered convicting them in summary proceedings as a result of wilful criminal misconduct.
 - 3) When they are seriously admonished by the Board of Directors for violating their duties as Directors.
 - 4) When the reasons for their appointment cease to exist or, in particular, an independent Director or a proprietary Director no longer qualifies as such.
 - 5) When, in the course of one year, they fail to physically attend more than two (2) meetings of the Board of Directors, of the Delegated Commission or of the other Committees to which they belong, of which one necessarily must be of a Board meeting, without just cause in the judgment of the Board, the Delegated Commission or the other Committee to which they belong.
 - 6) When their remaining on the Board, by reason of lack of suitability, on the terms described in article 38.4 this Regulation, may, directly, indirectly or through persons related thereto, put loyal and diligent exercise of their duties in accordance with the corporate interest at risk.
3. The Board of Directors will not propose the removal of any independent Director prior to completion of the term of office specified in the Articles for which the director was appointed, except when the Board finds that there is just cause after a report from the Appointment and Remuneration Committee. In particular, just cause will be deemed to exist when the Director has breached the duties inherent in the position.
4. Committee members will leave office when they leave office as Directors.

Article 25.- Objectivity and Secrecy of Voting.

(Free translation from the original in Spanish language)

All votes of the Board of Directors regarding the appointment, re-election and removal of Directors will be secret if so requested by any of its members, without prejudice to the right of any Director to reflect the sense of his vote in the minutes.

Chapter VII.- BOARD OF DIRECTORS COMMITTEES

Article 26.- Board Committees.

1. The Board of Directors will establish an Audit Committee, an Appointment and Remuneration Committee, a Corporate Governance Committee and a Technological Transformation Committee.

The Committees will meet on call of their Chairman. If not otherwise specifically provided, the operating rules established in this Regulation in respect of the Board will be used, provided that they are consistent with the nature and function of these Committees.

2. Any Committee established by the Board will prepare minutes of its meetings on the terms provided for the Board of Directors, which must be available to all members of the Board of Directors.

The Chairmen of the Committees will report at the first full meeting of the Board subsequent to their meetings on their activities and will take responsibility for the work performed.

3. The Committees may engage external advisors, when they feel this is necessary for the discharge of their duties.

Article 27.- Audit Committee.

1. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5). All members of the Audit Committee will be non-executive Directors. At least two (2) of the members of the Committee will be independent, and at least one of them must be appointed taking account of his knowledge and experience in accounting, auditing or both.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The members of the Committee will leave office when they leave office as Directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among the members of the Committee that are independent Directors. The Chairman of the Committee must be replaced every four (4) years, and may be re-elected after one year elapses since he left office.

(Free translation from the original in Spanish language)

The Secretary of the Board of Directors will act as Secretary of the Committee. In his absence, the Deputy Secretary, if any, will act, or in his absence the member of the Committee that it designates.

3. The Audit Committee will have the competencies contained in the regulations applicable from time to time.
4. The Audit Committee will establish and supervise a mechanism allowing communication to the Audit Committee of irregularities of potential significance, particularly financial and accounting irregularities, discovered within the company. In the case of reports from employees of the Company or its Group, this mechanism will provide for confidentiality and, if deemed to be appropriate, anonymity of the reports.
5. The Audit Committee will meet from time to time, as needed, but no less than four (4) times per year.
6. Any member of the management team or employee of the company is required to attend the meetings of the committee, whenever requested to do so, to collaborate with it and provide access to any information it may have. The Committee may also require that the statutory auditors attend its meetings.

Article 28.- Appointment and Remuneration Committee.

1. The Appointment and Remuneration Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors. At least two of the members of the Committee must be independent Directors.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The Appointment and Remuneration Committee may require the attendance of the Company's Chief Executive Officer or any officer or employee at its meetings.

The members of the Appointment and Remuneration Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent Directors.

The Secretary of the Board of Directors will act as Secretary of the Committee. In his absence, the Deputy Secretary, if any, will act, or in his absence the member of the Committee that it designates.

3. The Appointment and Remuneration Committee will have the following basic authority:

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- a) Regarding composition of the Board of Directors and the Board Committees of PRISA and the administration bodies of other companies in the Group:
- i. Evaluating the skills, knowledge and experience required on the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.
 - ii. Establishing a goal for representation of women on the Board of Directors, and developing guidance on how to achieve that goal.
 - iii. With a report from the Corporate Governance Committee, making proposals to the Board of Directors of independent Directors to be appointed by co-option or for submission to decision by the General Meeting of shareholders, and proposals for re-election or removal of those Directors by the General Meeting of shareholders.
 - iv. Reporting on proposals for the appointment of other Directors to be designated by co-option or for submission thereof to decision of the General Meeting of shareholders, as well as proposals for re-election or removal by the General Meeting of shareholders, or when there is just cause by reason of the Director's having breached the duties inherent in the position and the bringing of disciplinary proceedings that may mean removal of the Director.
 - v. Reporting, if applicable, on the proposed appointment of the individual representative of a Director that is a legal person.
 - vi. Proposing the classification of Directors in the executive, proprietary, independent or other external Director categories, when appointment of the Directors is to be made or ratified by the General Meeting on proposal of the Board.
 - vii. Reporting, together with the Corporate Governance Committee, on proposals for appointment of the Chairman and Deputy Chairman of the Board, the Chief Executive Officer, the Secretary and Deputy Secretary of the Board, the members of the Delegated Commission and the other Committees of the Board of Directors.
 - viii. Reporting, together with the Corporate Governance Committee, on a proposal for removal of the Secretary and Deputy Secretary of the Board.
 - ix. Reviewing and organising the succession of the Chairman of the Board of Directors and, if applicable, the chief executive of the Company, formulating the proposals to the Board of Directors considered to be

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appropriate, in order for that succession to occur in an orderly and well-planned manner.

- x. Reporting on proposals for the appointment of the representatives of the Company on the administration bodies of its subsidiary companies.

b) Regarding the senior management of the Group:

- i. Proposing the classification of senior management personnel.
- ii. Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.
- iii. Receiving information and, if necessary, issuing reports on disciplinary action taken against senior managers of the Company.

c) Regarding the compensation policy:

- i. Proposing to the Board of Directors, for submission to the General Shareholders Meeting, the compensation policy for Directors and general managers or those performing senior management functions under the direct supervision of the Board, Delegated Commissions or Chief Executive Officer, as well as the individual compensation and other contractual conditions of executive Directors, ensuring compliance therewith.
- ii. Approving the objectives associated with variable compensation of executive Directors and/or the managers.
- iii. Reporting to the Board on calculation of the variable compensation of the senior managers of the Company, as well as calculation of other incentive plans destined thereto.
- iv. Ensuring compliance with the compensation policy established by the Company.

d) Other authority

- i. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.
- ii. Exercising all other powers assigned to the Committee in this Regulation.

- 4. The Committee will meet whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters

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within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.

5. Any member of the management team or employee of the company is required to attend the meetings of the committee, whenever requested to do so, to collaborate with it and provide access to any information it may have.

Article 29.- Corporate Governance Committee.

1. The Corporate Governance Committee will be comprised of a minimum of three (3) and a maximum of five (5) non-executive Directors. At least two (2) of them must be independent Directors.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The members of the Corporate Governance Committee will leave office when they leave office as directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent.

The Secretary of the Board of Directors will act as Secretary of the Committee. In his absence, the Deputy Secretary, if any, will act, or in his absence the member of the Committee that it designates.

3. The Corporate Governance Committee will have the following basic authority:
 - a) Regarding composition of the Board of Directors and the Board Committees:
 - i. Reporting on proposals for the appointment of independent Directors.
 - ii. Proposing the appointment of the Coordinating Director to the Board.
 - iii. Annually reviewing the classification of the Directors in order to prepare the Annual Corporate Governance Report.
 - iv. Reporting, together with the Appointment and Remuneration Committee, on proposals for appointment of the Chairman and Deputy Chairman of the Board, the Chief Executive Officer, the Secretary and Deputy Secretary of the Board of Directors, and the members of the Delegated Commission and the other Committees of the Board of Directors.
 - v. Reporting, together with the Appointment and Remuneration Committee, on proposals for removal of the Secretary and Deputy Secretary of the Board of Directors.

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- vi. Presenting a report to the Board of Directors for evaluation of the functioning of the Board and its Committees, also presenting an action plan correcting the detected deficiencies, if any, as well as performance of their functions by the Chairman of the Board, which evaluation will be addressed to the Coordinating Director, and by the chief executive of the Company.
- b) Regarding the corporate governance and corporate social responsibility strategy of the Company:
- i. Promoting the Company's corporate governance strategy.
 - ii. Being apprised of, promoting, guiding and supervising the actions of the Company regarding corporate social responsibility and sustainability and corporate reputation and reporting thereon to the Board of Directors and the Delegated Commission, as applicable.
 - iii. Reporting and proposing to the Board of Directors the approval of the Annual Corporate Governance Report.
 - iv. Reporting and proposing to the Board of Directors the approval of the annual report on corporate social responsibility and, in general, issuing the reports and undertaking the actions that, regarding corporate social responsibility and sustainability, correspond thereto, and in addition, those required in accordance with the corporate governance of the Company or requested by the Board of Directors or its Chairman.
- c) Regarding the Company's internal rules:
- i. Proposing approval of a Code of Conduct to the Board.
 - ii. Reporting on proposals for amendment of the Articles of Association, the Board Regulation, the Meeting Regulation, the Rules for the Functioning of the Electronic Shareholder Forum, the Internal Conduct Regulation, the Code of Conduct and any other governance rules of the Company.
 - iii. Examining compliance with the Board Regulation, the Internal Conduct Regulation and, in general, the company's governance rules, and making the proposals necessary for improvement.
- d) Other authority:
- i. Reviewing the regulatory compliance policy and proposing all measures necessary to strengthen it.
 - ii. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.

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- iii. Exercising all other powers assigned to the Committee in this Regulation.
4. The Committee will meet whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.
5. For the fulfilment of its duties, the Committee may request attendance at its meetings of any member of the management team or personnel of the Company, and any worker of the Company or any of its subsidiaries, and will have access to all corporate information.

Article 30.- Committee for Strategic Digital Change

1. The Committee for Strategic Digital Change will be comprised of a minimum of three (3) and a maximum of five (5) Directors. At least two (2) of them must be independent Directors.
2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.

The members of the Committee for Strategic Digital Change will leave office when they leave office as directors or when so resolved by the Board of Directors.

The Chairman of the Committee will be elected by the Board of Directors from among those members of the Committee that are independent.

The Deputy Secretary of the Board, if any, will act as Secretary of the Committee. In his absence, the Secretary of the Board of Directors and, in the absence of the Secretary, the member of the Committee designated by it will so act.

3. The Committee for Strategic Digital Change will have the following basic authority:
 - i. Being apprised of, promoting, guiding and supervising the actions of the Company regarding innovation, digital transformation and reporting thereon to the Board of Directors.
 - ii. Proposing a coordinated strategy for digital transformation of the Company and its various Business Units, and for evaluation of its impact on present or future business.
 - iii. Advising the Board of Directors in relation to innovation, technology developments and adaptation to new realities.

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- iv. Advising the Board of Directors in the preparation of a Strategic Plan for digital transformation and supervising implementation of that Strategic Plan.
 - v. Periodically reviewing the Strategic Plan for digital transformation and proposing amendment and updating thereof to the Board of Directors.
 - vi. Seeing to achievement of the milestones fixed in the Strategic Plan for digital transformation and evaluating implementation thereof by the Company and its business units.
 - vii. Advising the Board of Directors regarding any digital initiatives existing in the market that may be beneficial for the Company.
 - viii. Evaluating the business opportunities and initiatives presented to the Company in the digital and technological transformation area.
 - ix. Evaluating, analysing and reporting to the Board of Directors on investment transactions in the digital transformation area.
 - x. Analysing the various measurement and observation tools launched at the national and international level regarding digital transformation and providing recommendations for improvement of the positioning of the Company and its group of companies.
 - xi. Annually approving a report on the functioning of the Committee and proposing publication thereof to the Board of Directors, upon the holding of the General Shareholders Meeting.
4. The Committee will meet periodically based on needs and whenever the Board of Directors of the Company or the Delegated Commission requests that it issue a report or approve proposals on matters within the scope of the Committee's responsibilities, and whenever the Committee Chairman deems appropriate for the proper discharge of the Committee's duties.
 5. For the fulfilment of its duties, the Committee may request attendance at its meetings of any member of the management team or personnel of the Company, and any worker of the Company or any of its subsidiaries, and will have access to all corporate information.

Chapter VIII - DIRECTOR INFORMATION.

Article 31.- Rights of Information and Examination.

1. A Director will have a duty to demand and right to receive, with the broadest authority, the information and advice needed regarding any aspect of the Company, provided that it is so required for the performance of the Director's functions. The right to information extends to subsidiary companies, whether domestic or foreign, and will be channelled

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through the Chairman, who will respond to the Director's requests, directly providing the information, offering the appropriate spokesman or marshalling such resources as may be necessary for the requested examination.

In addition the Chairman of the Board, with the assistance of the Secretary, will see to it that all Directors are provided with all documentation that is distributed at meetings of the Delegated Commission and the various other Committees.

2. The Chairman on an exceptional and temporary basis may restrict access to given information, reporting that decision to the Board of Directors at the following meeting.

Article 32.- Expert Assistance.

1. In order to be assisted in the performance of his duties, any Director may request the engagement, at the expense of the Company, of legal, accounting, technical, commercial, financial, commercial and other expert advisors.

Such advice must necessarily relate to specific problems of a degree importance and complexity that arise in the discharge of the directors' duties.

2. The request to engage the advisor will be channelled through the Chairman, which may subject it to prior authorisation of the Board of Directors for engagements with an amount above the cap established by the Board of Directors for a period of four (4) years, which may be denied when there are reasons so justifying.

Chapter IX.- DIRECTOR COMPENSATION.

Article 33.- Director Compensation.

1. Directors will be entitled to receive such compensation as may be determined by the Board of Directors in accordance with the provisions of the Articles.
2. The Board will endeavour to ensure that Directors' compensation follows the market standards. The compensation in any event must be in reasonable proportion to the size of the Company, the economic situation existing from time to time and the market standards of comparable undertakings. Also, the established compensation scheme must be aimed at promoting the profitability and long-term sustainability of the Company, and must incorporate the safeguards necessary to prevent excessive risk assumption and reward of unfavourable results.

In any event, compensation linked to Company earnings must take account of any qualifications stated in the audit report that reduce those earnings.

3. Directors' compensation will be transparent. The Notes, as an integral part of the Annual Accounts, and the Annual Report on Compensation of Directors, will contain

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both the information required by law and such other information as is deemed to be appropriate on the compensation received by the members of the Board of Directors.

Article 34.- Compensation of Executive Directors.

1. The compensation of Directors contemplated in the Articles will be compatible with and independent of salaries, compensation, indemnification, pensions or indemnifications of any kind, established generally or specifically for those members of the Board of Directors that hold any compensated position or responsibility, whether or not of an employment nature, with the Company or Companies in its Group (that meaning those within the scope of article 42 of the Commercial Code).
2. Directors that have been assigned executive functions will be entitled to receive compensation for the performance of those functions, which will be determined by the Board of Directors in accordance with the provisions of the compensation policy for Directors approved by the General Meeting, which will be included in the contract referred to in this article.
3. When a Director performs executive functions, it will be necessary to enter into a contract between the Director and the Company, which must contain all categories in which compensation may be obtained for performance of executive functions, and must be approved in advance by the Board of Directors, after a proposal of the Appointment and Remuneration Committee, with the favourable vote of two thirds of its members, it being required that it be attached as an annex to the minutes of the meeting. The affected Director must refrain from attendance, deliberation and participation in voting.

The contract must contain all references required by law and be consistent with the Company's compensation policy.

Article 35.- Compensation of External Directors.

The Board of Directors will adopt all measures available to it to ensure that the compensation of external Directors is in compliance with the following guidelines:

- a) Outside directors must be compensated based on their actual time commitments.
- b) The amount of independent Directors' compensation must be calculated so that it offers incentives for time commitment, without undermining their independence.

Chapter X.- DIRECTOR DUTIES

Article 36.- General Director Duties. General Duty of Diligence.

(Free translation from the original in Spanish language)

1. As provided in articles 5 and 6, the function of a Director is to guide and supervise management of the Company in order to maximise its actual value for the benefit of the shareholders.
2. In the performance of the Director's functions, it will act, in compliance with the duties imposed by law and the Articles, with the diligence of a prudent businessman, taking account of the nature of the position and the functions assigned to each Director. A Director in particular will be required to:
 - a) Be informed and prepare adequately for meetings of the Board and the Committees to which the Director belongs (if applicable including the Delegated Commission). In this regard, the Director will have the duty to demand and the right to receive from the Company the appropriate information necessary for it to comply with its obligations.
 - b) Attend meetings of the Delegated Commission, if applicable, and the other Committees of which he is a member and actively participate in deliberations so that his judgment effectively contributes to decision-making.
 - c) Dedicate sufficient time and adopt the measures necessary for proper management and control of the Company.
 - d) Perform any specific task assigned to him by the Board of Directors that is reasonably within his time commitment.
 - e) Promote investigation of any irregularity in management of the Company of which he may have notice, and the monitoring of any risk situation.
 - f) Comply with the Code of Conduct, the Internal Conduct Regulation and this Regulation.
 - g) Fulfil the other duties and obligations established by law.
3. In the area of strategic and business decisions, which are subject to business discretion, the standard of care of a prudent businessman will be deemed to have been met when a Director has acted in good faith, without a personal interest in the subject matter of the decision, with sufficient information and in accordance with an appropriate decision procedure.

Article 37.- Duty of Loyalty.

Directors must fulfil their duties with the loyalty of a faithful representative, acting in good faith in the Company's best interests. In particular they must:

- a) Refrain from using their powers for any purposes other than those for which they were granted.

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- b) Maintain secrecy regarding information, data, reports or background to which they have had access in performance of their duties, even when they have left office, except in circumstances permitted or required by law.
- c) Refrain from participating in deliberation and voting on resolutions or decisions in which the Director or a related person has a conflict of interest, direct or indirect. Excluded from this prohibition are the resolutions or decisions that affect the Director in its status as such, such as the Director's appointment or removal from positions on the Board of Directors or others of a comparable kind.

In particular, Directors that are affected by a related party transaction, in addition to not voting, will leave the meeting room while these matters are debated and voted upon.

- d) Perform their duties under the principle of personal responsibility, freely using their judgment or criteria and independence regarding third party instructions and relationships.

Article 38.- Conflicts of Interest and Transactions with Directors.

- 1. Directors must adopt the necessary measures to avoid situations in which their interests, on their own behalf or on behalf of another, can be in conflict with the Company's interests and their duties to it.

This does not apply to circumstances in which the Company has consented on the terms contemplated in section 5 of this Article.

- 2. The Directors will report any situations involving any direct or indirect conflict that they, or any person related thereto, may have with the interests of the Company. In particular, they must report those situations that may result in the existence of conflicts of interest, as provided in chapter V of the "Internal Conduct Regulation for Matters Related to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies".
- 3. In particular, Directors, must refrain from:
 - a) Entering into transactions with the Company, except in the case of ordinary transactions, on standard terms for customers and of little relevance, on the legally contemplated terms.
 - b) Using the name of the Company or invoking status as a Director to unduly influence private transactions.
 - c) Using corporate assets, including the confidential information of the Company, for private purposes.
 - d) Appropriating the business opportunities of the Company.

(Free translation from the original in Spanish language)

- e) Obtaining benefits or compensation from third parties, other than the Company and its Group related to the performance of the Director's duties, except in the case of mere courtesies.
- f) Engaging in activities on its own behalf or on behalf of others that involve effective competition, whether actual or potential, with the Company or that in any other way place it in permanent conflict with the interests of the Company. This does not apply to such positions as they may hold in companies having stable significant shareholdings in the Company.

The restrictions set forth above are also applicable if the beneficiary of the situations or activities forbidden is a Director's related person.

- 4. Notwithstanding the foregoing, in those cases in which the conflict of interest is or may reasonably be expected to be of such nature that it constitutes a structural and permanent conflict between the Director (or a person related thereto or, in the case of a proprietary Director, the shareholder or shareholders that proposed or made the appointment or the persons directly or indirectly related thereto) and the Company or the companies in its Group, the Director will be deemed to be or have become unsuitable for exercise of the position for purposes of the provisions of article 24 of this Regulation.
- 5. The General Meeting of the Company may release a Director or related person from the prohibition on obtaining a benefit or compensation from third parties, or those transactions the value of which is greater than ten percent (10%) of the company's assets. The obligation not to compete with the Company may only be waived if no damage to the Company is to be expected, or it is expected that it would be compensated for the benefits expected to be obtained from the waiver. The waiver will be granted by way of express and separate resolution of the General Meeting.

In other cases that affect the prohibitions contained in this article, the authorisation also may be granted by the Board of Directors, provided that the independence of the members granting it is assured, as regards the Director granted the waiver. In addition, it will be required that the innocuousness of the authorised transaction from the point of view of the corporate assets be guaranteed or, if applicable, that it be undertaken on market terms in a transparent process.

- 6. Without prejudice to the foregoing, authorisation of the Board of Directors will not be necessary for those related party transactions that simultaneously satisfy the following three conditions:
 - a) They are governed by standard form agreements applied on an across-the-board basis to a large number of customers;
 - b) They are entered into at market prices or rates, generally set by the person supplying the goods or services;

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c) The amount is no more than 1% of the Company's annual revenue.

Article 39.- Transactions with Significant Shareholders.

1. Without prejudice to the provisions of the preceding article, the Board of Directors formally reserves the right to be apprised of any transaction of the Company or any of its subsidiaries with a significant shareholder or with persons related thereto, as provided in article 5 of this Regulation. The affected Directors, or those representing or related to the affected shareholders, must refrain from participating in deliberation and voting on the resolution in question.
2. Under no circumstances will any such transaction be authorised before a report has been issued by the Audit Committee evaluating the transaction in the light of market conditions.
3. However, authorisation of the Board of Directors will not be deemed to be required in those transactions that simultaneously satisfy the conditions set forth in article 38.5 above.

Article 40.- Principle of Transparency.

In its annual public information the Board of Directors shall include a summary of Company transactions with its directors and significant shareholders. This information shall reflect the overall volume of transactions and the nature of the most relevant ones.

Chapter XI. BOARD RELATIONSHIPS

Article 41.- Relationships with Shareholders

1. The Board of Directors will provide suitable channels to familiarise itself with any proposals formulated by shareholders with regard to the management of the Company.
2. Public proxy solicitations by the Board of Directors or any of its members must in detail explain the sense in which the representative will vote if the shareholders do not give instructions and disclose the existence of conflicts of interest, if any.
3. The Board of Directors will also see to it that adequate mechanisms are established for the regular sharing of information with institutional investors holding shares of the Company.
4. Under no circumstances may relations between the Board of Directors and institutional shareholders translate into the delivery to the latter of any information that might place them in a privileged position or afford them an advantage over other shareholders.

(Free translation from the original in Spanish language)

5. The Board of Directors will promote shareholders' informed participation in General Meetings and will adopt all timely measures required to allow the General Shareholders Meeting to effectively exercise the duties that correspond to it in accordance with law and the Articles of Association.

Article 42.- Relationships with Markets.

1. The Board of Directors will ensure compliance with current instructions on material disclosures, pursuant to the Company's Internal Conduct Regulation.
2. The Board of Directors will take steps to ensure that quarterly, semi-annual and annual financial information, and any other information that it deems prudent to disclose to the markets, is prepared in accordance with the same professional practices, principles and policies as the annual accounts. This information will be reviewed by the Audit Committee having regard to these objectives.

Article 43.- Relationships with Auditors.

1. The Board of Directors will refrain from proposing designation or renewal of an audit firm if the fees payable by the Company, in all categories, constitute more than five percent (5%) of the annual revenue of that audit firm, based on the average over the last five (5) years.
2. The Board of Directors will publicly report the overall fees the Company has paid to the audit firm, distinguishing those corresponding to auditing of accounts and other services rendered, being required in the notes to the annual accounts to break down the amounts paid to the statutory auditors, as well as amounts paid to any company in the same group of companies to which the statutory auditor belongs, or any other company with which the auditor is related by way of common ownership, management or control.
