



REASONED PROPOSAL BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. ON THE APPROVAL OF THE REMUNERATION POLICY FOR THE COMPANY'S BOARD OF DIRECTORS, INCLUDED IN POINT 5.1. OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR JUNE 29 AND 30, 2021, AT THE FIRST AND SECOND QUORUM CALL, RESPECTIVELY

1. Introduction

In accordance with the provisions of Article 529 *novodecies* of the consolidated text of the Spanish Capital Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July ("**Capital Companies Law**"), the Board of Directors of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), acting on a favourable report by the Nominations, Compensation and Corporate Governance Committee (attached to this report and endorsed in its entirety by the Board of Directors), drew up and approved at its meeting on May 25, 2021 this reasoned proposal to approve the remuneration policy for the directors of the Company, applicable to the years 2021, 2022 and 2023.

This proposal will be submitted for approval by the Ordinary General Shareholders' Meeting, which is expected to be held on June 29, 2021.

2. Justification of the proposed update

The current text of the Remuneration Policy for the directors of PRISA, which was approved by the Extraordinary Shareholders' Meeting held on 18 December, 2020, is applicable to the years 2020 and 2021. This text provides for the remuneration of a single executive director in the Company (the current chief executive, Manuel Mirat Santiago).

As indicated in the report from the Nominations, Compensation and Corporate Governance Committee, in March 2021 the Board of Directors of PRISA approved a new organizational structure that seeks the operational separation of the Group's Education (Santillana) and Media (Radio and News) businesses, speeds up the process to unlock the full potential of Santillana and lays the foundations for the creation of PRISA Media (the new business unit that will combine the Group's Radio and News businesses). With this new organizational structure, the Group increases the number of its executive directors from one to two: one as the head and executive chairman of Education (Santillana), who will be Mr Mirat; and the other, as head and executive chairman of PRISA Media, who will be Carlos Núñez.

Given the above, the Board of Directors has considered it appropriate to adapt the Remuneration Policy to the Group's new organizational structure derived from the planned operational division of the PRISA's Education and Media businesses, which provides for two executive directors with the right to remuneration for the performance of executive functions in the area of their respective businesses.

Moreover, taking into account the modifications introduced by Law 5/2021, of 12 April, modifying the consolidated text of the Capital Companies Law approved by Royal Legislative Decree 1/2010 of 2 July, and other financial legislation, with respect to fostering the long-term involvement of shareholders in listed companies ("**Law 5/2021**") with respect to the approval of the remuneration policy (these modifications are pending entry into force), the Board considers it appropriate to take advantage of the approval of a new Remuneration Policy to introduce the latest legislative changes

approved under Law 5/2021, and to reflect the aim of continuous update and review of the Company's system of corporate governance, to ensure it is aligned with the best corporate governance practices.

For all these reasons, the Board has agreed to propose that the General Shareholders' Meeting should approve a remuneration policy that continues on from the Company's remuneration policy applicable in recent years, but adapting it to the Company's new circumstances and organizational structure, as well as any new regulations.

The purpose of the updates proposed to the text of the remuneration policy therefore basically is to:

- (i). adapt the text of the policy to the Group's new organizational structure derived from the planned operational division of PRISA's Education and Media businesses, which provides for two executive directors on the Board of Directors with the right to remuneration for the performance of executive functions in the area of their respective businesses;
- (ii). remove from the text of the policy certain remuneration items whose duration has expired, and which are therefore no longer applicable;
- (iii). provide the market with more certainty on the remuneration policy that the Company will apply in 2022 and 2023;
- (iv). anticipate the latest legislative changes approved pursuant to Law 5/2021, which affect the content and form of the remuneration policy in listed companies; and
- (v). introduce new medium-term incentive plans targeted at certain key professionals in the Company and its Group to compensate the extraordinary efforts needed to achieve the value creation objectives set for the Group's Education and Media businesses and recognise the value created by the participants for PRISA and its shareholders.

Additionally, and taking into account the prevailing socioeconomic circumstances as well as the specific circumstances of the Company in particular, it has been considered appropriate for the Non-executive Chairman's compensation range (which is currently between 300,000 and 500,000 euros per annum) to be reduced down to a range between 200,000 and 300,000 euros per annum. The amount of the annual fixed compensation of the Non-executive Chairman will be a fixed amount for all the items, and will be set by the Board of Directors, on the proposal of the Nominations, Compensation and Corporate Governance Committee, within the revised compensation range taking into account different considerations.

Other minor adjustments and improvements of a technical nature will also be carried out.

As is the case with the previous remuneration policy, the aim is to keep the remuneration structure of the members of the Board of Directors in line with the Group's general strategy, thus promoting a system of effective incentives that guarantees results-orientation, implementation of the Group's strategic plan and the creation of value for shareholders in a way that is sustainable in the medium and long term, while contributing to the interests of the Group and the long-term sustainability of the Company.

3. Validity period

Pursuant to the current text of the aforementioned article 529 *novodecies* of the Capital Companies Law, the remuneration policy will be in force for three years following its approval by the General Shareholders' Meeting.

Therefore, the Company will apply the remuneration policy in the years 2021, 2022 and 2023, and must propose to the General Shareholders' Meeting a new remuneration policy to be applied

starting in 2024, inclusive. Nevertheless, all the remuneration paid to directors or former directors under the remuneration policy for directors of Promotora de Informaciones, S.A. in the years 2020 and 2021, and approved by the Extraordinary General Shareholders' Meeting on 18 December, 2020, shall be valid.

In addition, any change or replacement to the Remuneration Policy during its period in force shall require prior approval by the Company's General Shareholders' Meeting, as established in said article 529 *novodecies* of the Capital Companies Law.

Notwithstanding the above, the Company shall adopt any measures it considers appropriate or necessary with respect to the remuneration policy for the Company's directors within the legal framework applicable to the Group at any time.

4. Conclusion

The Board of Directors of PRISA considers that the remuneration of the directors under the remuneration policy proposed to the General Shareholders' Meeting is reasonably proportional to the importance of the Company, its current economic situation and market standards for comparable companies. At the same time, the system of remuneration aims to promote the Company's long-term growth, profitability and sustainability, and includes the necessary precautions to prevent excessive assumption of risks and compensation for unfavourable results.

5. The proposed resolution submitted for the approval of the Ordinary General Shareholders' Meeting

Based on all the above, the proposed resolution submitted for the approval of the Ordinary General Shareholders' Meeting reads as follows:

“Approval of the directors' remuneration policy for financial years 2021, 2022 and 2023

Pursuant to article 529 novodecies of the Capital Companies Law and in accordance with the reasoned proposal approved by the Board of Directors, accompanied by the necessary report from the Nominations, Compensation and Corporate Governance Committee, approve the remuneration policy for directors, which will be applicable for the years 2021, 2022 and 2023.

With respect to 2021, this remuneration policy substitutes and replaces the text of the directors' remuneration policy applicable for the years 2020 and 2021, which was approved by the Extraordinary Shareholders' Meeting held on 18 December, 2020. All this is without prejudice to the remuneration accrued under the previous directors' remuneration policy, which will remain valid.

The complete text of the directors' remuneration policy was made available to the shareholders on the publication date of the notification of the General Meeting.”

Madrid, 25 May, 2021



REPORT DRAFTED BY THE NOMINATIONS, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE OF PROMOTORA DE INFORMACIONES, S.A. ON THE PROPOSED RESOLUTION TO APPROVE THE REMUNERATION POLICY FOR THE DIRECTORS OF THE COMPANY, INCLUDED IN POINT 5.1. OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD ON JUNE 29 AND 30, 2021, AT ITS FIRST AND SECOND QUORUM CALL, RESPECTIVELY

1. Purpose of the report

In accordance with the provisions of article 529 *novodecies* of the consolidated text of the Capital Companies Law (*Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010 of 2 July ("Capital Companies Law"), and under article 28.4.(iii) of the Regulation of the Board of Directors of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), the Nominations, Compensation and Corporate Governance Committee drew up and approved this report at its meeting on May 24, 2021, to justify and explain the proposed resolution on the remuneration policy for the directors of the Company, applicable to the years 2021, 2022 and 2023. This report will be submitted to the Board of Directors, which in turn will submit it for approval to the General Shareholders' Meeting of PRISA.

The complete updated text of the remuneration policy for PRISA directors is in the **Annex** to this report.

2. Justification of the proposed update

The current text of the Remuneration Policy for the directors of PRISA, which was approved by the Extraordinary Shareholders' Meeting held on December 18, 2020, is applicable to the years 2020 and 2021. This text provides for the remuneration of a single executive director in the Company (the current chief executive, Manuel Mirat Santiago).

In March 2021 the Board of Directors of PRISA approved a new organizational structure that seeks the operational separation of the Group's Education (Santillana) and Media (Radio and News) businesses, speeds up the process to unlock the full potential of Santillana and lays the foundations for the creation of PRISA Media (the new business unit that will combine the Group's Radio and News businesses). With this new organizational structure, the Group increases the number of its executive directors from one to two: one as the head and executive chairman of Education (Santillana), who will be Mr Mirat; and the other, as head and executive chairman of PRISA Media, who will be Carlos Núñez.

Thus, it was considered appropriate to adapt the Remuneration Policy to the Group's new organizational structure derived from the planned operational division of PRISA's Education and Media businesses, which includes the presence of two executive directors with the right to remuneration for the performance of executive functions in the area of their respective businesses.

Moreover, with respect to the approval of the remuneration policy, taking into account the modifications introduced by Law 5/2021, of 12 April, modifying the consolidated text of the Capital

Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial legislation, with respect to fostering the long-term involvement of shareholders in listed companies (“**Law 5/2021**”), with respect to the approval of the remuneration policy (these modifications are pending entry into force), the Board has considered it appropriate to take advantage of the approval of a new Remuneration Policy to introduce the latest legislative changes approved under Law 5/2021, and to reflect the aim of continuous update and review of the Company’s system of corporate governance, to ensure it is aligned with the best corporate governance practice and beneficial to the Company’s organisation and administration.

For all these reasons, the Board is considering to propose that the General Shareholders’ Meeting should approve a remuneration policy that continues on from the Company’s remuneration policy applicable in recent years, but adapting it to the Company’s new circumstances and organizational structure, as well as new regulations.

The purpose of the updates proposed to the text of the remuneration policy therefore basically is to:

- (i). adapt the text of the policy to the Group’s new organizational structure derived from the planned operational division of PRISA’s Education and Media businesses, which provides for two executive directors on the Board of Directors with the right to remuneration for the performance of executive functions in the area of their respective businesses;
- (ii). remove from the text of the policy certain remuneration items whose duration has expired, and which are therefore no longer applicable;
- (iii). provide the market with more certainty on the remuneration policy that the Company will apply in 2022 and 2023;
- (iv). anticipate the latest legislative changes approved pursuant to Law 5/2021, which affect the content and form of the remuneration policy in listed companies; and
- (v). introduce new medium-term incentive plans targeted at certain key professionals in the Company and its Group to compensate the extraordinary efforts needed to achieve the value creation objectives set for the Group’s Education and Media businesses and recognise the value created by the participants for PRISA and its shareholders.

Additionally, and taking into account the prevailing socioeconomic circumstances as well as the specific circumstances of the Company in particular, it has been considered appropriate for the Non-executive Chairman’s compensation range (which is currently between 300,000 and 500,000 euros per annum) to be reduced down to a range between 200,000 and 300,000 euros per annum. The amount of the annual fixed compensation of the Non-executive Chairman will be a fixed amount for all the items, and will be set by the Board of Directors, on the proposal of the Nominations, Compensation and Corporate Governance Committee, within the revised compensation range taking into account different considerations.

Other minor adjustments and improvements of a technical nature will also be carried out.

As is the case with the previous remuneration policy, the aim is to keep the remuneration structure of the members of the Board of Directors in line with the Group’s general strategy, thus promoting a system of effective incentives that guarantees results-orientation, implementation of the Group’s strategic plan and the creation of value for shareholders in a way that is sustainable in the medium

and long term, while contributing to the interests of the Group and the long-term sustainability of the Company.

3. Conclusion

The Nominations, Compensation and Corporate Governance Committee considers that the proposed remuneration policy for directors that is being submitted to the Board of Directors, which in turn will submit it to the General Shareholders' Meeting for approval, complies with this function, and in general terms, with the recommendations on good governance generally accepted by international markets on this matter.

Madrid, May 24, 2021

ANNEX
REMUNERATION POLICY OF THE DIRECTORS OF PROMOTORA DE INFORMACIONES,
S.A.



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

**DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A. FOR
FISCAL YEARS 2021, 2022 AND 2023**

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DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A. FOR FISCAL YEARS 2021, 2022 AND 2023

1. INTRODUCTION

In accordance with the provisions of article 529 *novodecies* of the consolidated Spanish Capital Companies Law, approved by Legislative Royal Decree 1/2010 of July 2, 2010 (the "**LSC**"), the Shareholders' Meeting must approve the directors' remuneration policy, as a separate item on the agenda.

This document contains the directors' remuneration policy of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), submitted for approval by the Ordinary General Shareholders' Meeting called for June 29 and 30, 2021, on first and second call, respectively (the "**Remuneration Policy**").

The Remuneration Policy is accompanied by a justifying report from the Appointments, Remuneration and Corporate Governance Committee ("**CNRGC**") and a reasoned proposal from the Company's Board of Directors, in accordance with article 529 *novodecies* of the LSC. Both documents will be made available to the shareholders on the Company's website as from the date of publication of the call notice of the aforementioned General Shareholders' Meeting.

This Remuneration Policy has been drafted and approved by the Board of Directors of PRISA, on the proposal of the CNRGC. In accordance with the Company's Board of Directors Regulations, the Board of Directors is responsible for the decisions relating to the remuneration of directors, within the framework of the Articles of Association and the remuneration policy approved by the General Meeting. The CNRGC is responsible for the following: (i) ensure compliance with and periodically review the remuneration policy applied to directors, and guarantee that their individual remuneration is proportional to their duties and dedication and to the remuneration of the Company's other directors and senior executives; and (ii) inform the Board on any proposals relating to the terms of the variable remuneration of executive directors, as well as other incentive plans for them; and where necessary, verify the level of compliance with the objectives to which they are subject. In preparing this Remuneration Policy, the CNRGC and the Board of Directors have taken into account the remuneration schemes of comparable companies and the employment conditions of the Group's workers. In this process, the CNRGC and the Board of Directors have been advised by legal and tax experts specialized in remuneration. The CNRGC has the necessary composition and operational rules to prevent the generation of situations of conflicts of interest in the process of drafting the Remuneration Policy and to deal with them should they arise.

2. VALIDITY PERIOD

In accordance with the aforementioned article 529 *novodecies* of the LCS, the Remuneration Policy will be valid for three years after its approval by the General Shareholders' Meeting.

Consequently, the Company will apply the Remuneration Policy during fiscal years 2021, 2022 and 2023, hence a new remuneration policy shall be submitted to the General Meeting, which will be applied from 2024, inclusive. Also, any amendment to or replacement of the Remuneration

Policy during that validity period will require prior approval from the Shareholders' Meeting of the Company in accordance with article 529 *novodecies* of the LSC.

With respect to the fiscal year 2021, this Remuneration Policy substitutes and replaces the text of the Directors' Remuneration Policy of PRISA applicable for the years 2020 and 2021, which was approved by the Extraordinary Shareholders' Meeting held on December 18, 2020 (the "Remuneration Policy for 2020/2021").

Notwithstanding the above, all the remuneration paid to the directors or former directors under the Remuneration Policy for 2020/2021 shall be valid, and the approval of this Remuneration Policy shall not represent a modification of the amounts already accrued under the previous policy. In particular, the following remuneration included under the Remuneration Policy 2020/2021 for the executive director Manuel Mirat Santiago, which is currently pending settlement, shall be valid in the terms and conditions included in the Annual Remuneration Report corresponding to the year 2020:

- i. Variable medium-term deferred remuneration for the period 2018-2020, payable in shares: This remuneration was approved by the General Shareholders' Meeting held on April 25, 2018 and refers to a period of three years which has ended (2018-2020). It is linked to the changes in the PRISA share price and the achievement of certain objectives (linked to EBITDA and cash flow). This deferred remuneration is pending final determination and settlement, as the case may be. Once the annual accounts for the fiscal year 2020 have been drafted and approved, PRISA's Board of Directors will confirm the level of compliance with the EBITDA and Cash Flow objectives on which the deferred remuneration was based and the Board of Directors will confirm the number of shares that should be delivered to Mr. Mirat. The number of theoretical shares assigned to Mr. Mirat was 2,200,000, although following a preliminary analysis of compliance with the objectives during the reference period, it is expected not to be more than 471,900 shares. At the request of the beneficiaries of this remuneration plan, the Board of Directors has agreed that the settlement and delivery of this deferred remuneration should be delayed until January 2022. (Under the general terms and conditions regulating this remuneration plan, this delivery should have been made within the 60 days following the drafting of the accounts for the fiscal year 2020). This remuneration plan will therefore not be considered finalized until its settlement in 2022.
- ii. Extraordinary incentives for key strategic operations in fiscal year 2020: in 2020 the Board of Directors approved two extraordinary remuneration incentives linked to the success of two relevant strategic operations, which were the sale of the education business of Grupo Santillana Educación Global S.L.U. in Spain and the refinancing of the financial debt of the Prisa Group with its creditors ("Extraordinary Incentives for Key Strategic Operations, 2020"). The payment is in cash, depending on scales of achievement on predefined target amounts. In the case of Mr. Mirat, the target amounts for the refinancing operation was 330,000 euros, and the target amount associated with the sale of Santillana España was 670,000 euros, which makes a total target amount for the two incentives of 1,000,000 euros. At the proposal of the CNRGC, the Board has agreed that the compliance ratio should be 100% of the incentives, taking into account the qualitative valuation of the

final conditions of the agreements reached in the operations and the excellent contribution of Mr. Mirat to them.

Mr. Mirat has already received an initial payment of these incentives (whose amount is 50% of the sum of the two incentives) in January 2021, following the execution of the operations (which were closed on December 31, 2020). The settlement of the second payment (equivalent to the other 50%) is pending, and will have to be made six months after completion of the transactions, under the terms and conditions agreed by the Board of Directors.

3. PRINCIPLES AND FUNDAMENTALS

The remuneration for the members of the Board of Directors is determined in accordance with that established in the Articles of Association, in the Board of Directors Regulations and in the resolutions adopted by the Shareholders' Meeting.

The fundamentals of the Remuneration Policy for PRISA's directors, in their capacity as such and for discharging their executive duties, where applicable, consider the general principle that the directors' remuneration must be essential to attract, retain and motivate directors with an outstanding and appropriate professional profile so that they can contribute to the strategic objectives of the group of which PRISA is the parent company (the "**Group**").

In particular, the Remuneration Policy is based on the following principles:

- Moderation and adaptation to the best market practices: PRISA's aim is for the remuneration of directors to be moderate and to comply with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in size, activity or structure, so that they are in-keeping with the best market practices.
- Proportionality: The remuneration of non-executive directors and, in particular, independent directors, must reflect the effective dedication, qualification and responsibility required by the post, but must not be so high as to compromise the director's independence of mind.
- The directors' remuneration for discharging executive duties shall be based on the following criteria:
 - (a) it must motivate them to remain at the company and guide their management with exigency and special focus on the long term, and it must be reasonably linked to the performance of the stock market price in that time period;
 - (b) it must reflect the Company's current situation, perspectives and aims of sustainable growth;
 - (c) it must include fixed and variable components, with an annual or multi-year scope, as appropriate, in cash and in kind, and in elements indexed to share value, or the value of the Group's businesses; determined according to the following criteria, in order for the weighting of the different remuneration components to be in line with market practices:

- it must keep fixed remuneration at moderate levels and not be modified during the term of the Policy, unless specific circumstances arise which making revising the Policy advisable.
 - variable remuneration must represent an important part of total remuneration.
 - medium-term remuneration must have a significant weight.
 - share-based remuneration, or remuneration indexed to the value of the Group's businesses, must also be significant, without constituting the sole criteria for defining variable remuneration
 - the variable remuneration must be partially received over time.
- (d) a clause must be included in the respective contracts which enables the Company to claim the reimbursement of any variable remuneration paid in the event that it is subsequently objectively proven that it was determined based on incorrect or inaccurate data.
- Restrictions for the transfer of the shares that the directors may receive as part of their remuneration: non-executive directors who receive shares in payment for their fixed remuneration have the obligation to maintain the ownership of those shares until they resign or are removed from the post of director. Moreover, the executive directors who receive shares in payment for their remuneration may not transfer them for at least three years since their allocation. These restrictions will not apply if the director holds, at the time of the transfer or exercise, a net economic exposure to the variation of the share price for a market value equivalent to an amount of at least twice his or her fixed annual compensation through shares, stock options or other financial instruments. These restrictions will also not apply in case of death of the executive director or termination of the executive director's contract: (i) on the grounds of a serious and willful breach of the obligations set forth in the contract by the company which is a party to the contract; (ii) at the discretion of the company which is a party to the contract, without a breach of the responsibilities or obligations of the executive director; and (iii) at the executive director's discretion following a change of control.
- This will not apply to any shares that the director must dispose of to defray the costs and taxes related to their acquisition or, following a favorable report from the CNRGC, to address extraordinary situations that requires it.
- The Company's long-term sustainability: the directors' remuneration envisaged in this Policy maintains a reasonable proportion with the Company's relevance, its current economic and financial situation and with the market standards at comparable companies. Also, the remuneration system seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results.
- Alignment with the business strategy: The Remuneration Policy aims to establish a remuneration with objective criteria related to the individual performance of the

members of the board of directors and the achievement of the business objectives of the Company and the Group.

For this purpose, annual variable components linked to the achievement of specific, predetermined and quantifiable targets are included, which are aligned with the corporate interest and the Company's strategic objectives. The Group's strategic path involves the operational separation of the Education ("**Santillana**") and Media ("**PRISA Media**") businesses and unlocking Santillana's full potential. In this respect, the achievement of the Company's strategy is being boosted and driven through the incorporation of medium- and long-term incentives that strengthen the continuity in the Group's competitive development.

In drafting the Remuneration Policy and determining the remuneration scheme and the rest of the remuneration terms and conditions of the directors and senior management, the Board of Directors has paid particular attention to the employment conditions in the Company and the Group.

In this respect, the Remuneration Policy is aligned with that of the rest of the Group's employees in Spain, both with respect to the principles that inspire it and in relation to the main components of the remuneration.

Moreover, with the aim of contributing to the maintenance of a proportional and balanced remuneration structure, the Board of Directors has worked with the aim of ensuring that the relation between the average remuneration of the directors and senior management and that of employees in Spain (counting 2,367 employees) should be reasonable, given the Company's situation and that of the sectors in which it operates, as well as market practice and that of other comparable education and media groups. In particular, the aim has been that the average remuneration of senior executives (counting four executives, and not taking into account the two executive directors) should not be more than 5.2 times the average salary of the workforce in Spain; that the average remuneration of the external directors (considering 12 external directors, including the chairman) should not represent more than 2.3 times the average salary of the workforce in Spain; and that the remuneration of the two executive directors should not represent more than 10.4 times the average salary of the workforce in Spain.

4. MAXIMUM AMOUNT OF DIRECTORS' REMUNERATION

The maximum amount of the remuneration that the Company may pay to all directors each year will be the sum of:

- a) The maximum annual total of 2,000,000 euros, to which the remuneration payable to the directors in their capacity as such may amount (for the items stipulated in sections 5.2.1, 5.2.2 and 5.2.3 below).
- b) The amounts for the items mentioned in sections 6.2, 6.3 and 6.6 below, which relate to the remuneration for executive responsibilities performed by the executive directors.
- c) In case of termination of the functions of the executive directors, the amount to which they are entitled, according to the conditions of his contract, on the terms stipulated in sections 6.4 and 6.5 below.

The maximum amount resulting from what is described in this section shall continue to apply for as long as this Remuneration Policy is in force, unless the Shareholders' Meeting resolves to change it in the future.

5. DIRECTORS' REMUNERATION IN THEIR CAPACITY AS SUCH

5.1 General criteria:

The remuneration for directors in their capacity as such shall consist of a fixed annual amount, which is established as follows:

- (i) The maximum annual remuneration amount for all the directors in their capacity as such shall be determined by the Shareholders' Meeting.
- (ii) At the proposal of the CNRGC, the Board of Directors shall distribute the aforementioned maximum remuneration amongst its members, taking into account the functions and responsibilities of each director, the category to which each director belongs, whether they belong to the Board Committees and the other objective circumstances that the Board of Directors deems relevant. In this regard, the remuneration for Chairman of the Board of Directors will be higher than for the other Board members based on the greater dedication required of the Chairman and his institutional and representation duties for the Company at the highest level, among other non-executive functions that he carries out. At the request of the CNRGC, the Board of Directors may set a lower remuneration for the proprietary directors.

5.2 Fixed remuneration of the directors in their capacity as such

5.2.1 Fixed annual remuneration of the non-Executive Chairman

The fixed annual remuneration of the non-Executive Chairman shall be a fixed amount for all items in the range of between 200,000 euros and 300,000 euros per annum.

The specific fixed amount payable to the non-Executive Chairman of the Company shall be established by the Board of Directors, at the proposal of the CNRGC, within that range, according to the levels of responsibility and dedication required as Chairman of the Board and of the Delegated Committee, and to the specific circumstances involved in the activities to be carried out by the non-Executive Chairman, also taking into account the specific characteristics of the person holding the post at any given time, such as his professional background and experience, his capacities and skills for performing the office.

This remuneration shall be paid fully in cash and prorated monthly, and it shall be incompatible with the receipt of the remuneration established in sections 5.2.2, 5.2.3 and 5.2.4 below.

5.2.2 Fixed annual remuneration for serving on the Board of Directors

The fixed annual remuneration for this item shall be 70,000 euros per annum per Board member.

The fixed annual remuneration which the non-executive directors receive for serving on the Board of Directors shall be paid to each one fully in cash on a prorated monthly basis.

As already indicated in section 5.1 (ii) above, the Board of Directors will determine the amount corresponding to each director according to a number of objective circumstances, and the figure may therefore not be the same for all of them.

5.2.3 Fixed annual remuneration for serving on the Board Committees:

Besides the remuneration set forth in section 5.2.2, the non-executive directors may receive an additional fixed annual remuneration for belonging to the Board Committees. This remuneration shall be paid in cash, prorated monthly, and the maximum amounts will be the following:

- i. Remuneration for participating on a Delegated Committee: 30,000 euros per annum per director.
- ii. Remuneration for serving on the Audit and Compliance Committee and on the CNRGC: 20,000 euros per annum per director, being two times this amount for the respective committee chairmen (i.e. 40,000 euros).

5.2.4 Participation on the Boards of Directors of other Group companies

PRISA's directors can accrue other fees for serving on the Boards of Directors of other Group companies, in accordance with their respective Articles of Association.

5.2.5 Other remuneration items

The remuneration for the directors in their capacity as such does not envisage the grant of credits, advance payments or guarantees. Likewise, it does not envisage the participation of non-executive directors in employee welfare systems or entitlement to any compensation in the event of termination of their duties as directors; also, it does not envisage the grant of remuneration other than that described in this Remuneration Policy.

5.3 Other provisions

5.3.1 Expenses related to Board and Committee meetings

The expenses associated to travel, meals and accommodation to attend the meetings of the Board of Directors and Committees will be reimbursed by the Company to the directors, provided that they have been notified to the Company previously and accepted by it, and that they are duly justified.

Nonetheless, the directors of PRISA do not receive attendance fees for participating in the meetings of the Board of Directors and Committees or other fixed remuneration as directors.

5.3.2 Civil liability insurance

The Company has also contracted a civil liability insurance policy for all its directors on the usual market conditions and proportionate to the Company's circumstances.

6. DIRECTORS' COMPENSATION FOR PERFORMING EXECUTIVE DUTIES

The Board of Directors of PRISA will have two executive directors: one executive director that will be the head and executive chairman of Santillana, and an executive director, who will be the head and executive chairman of PRISA Media. This Remuneration Policy will refer to these persons as "Executive Director of Santillana" and "Executive Director of PRISA Media", respectively.

These two executive directors are the only members of the Board of Directors of PRISA who exercise executive functions in the Company and the Group.

6.1 Remuneration items

The remuneration items comprising the Executive Directors' remuneration as well as the basic terms and conditions of their functions must be stated in a contract signed with the director in question, which must be approved previously by the Board of Directors, where the director must abstain from voting on and discussing the matter, with a two-thirds majority vote in favor.

The contracts of the Executive Directors may be entered into with the respective companies of the Group in which they exercise their executive functions (i.e. Santillana and PRISA Media). It may therefore be the companies in which they exercise their executive functions which pay the remunerations of the Executive Directors.

The contract of the Executive Director of Santillana, the terms of which are described in this Remuneration Policy, was entered into with Santillana Educación Global, S.L.U. However, the contract will enter into force once the 2021 General Shareholders' Meeting of PRISA, to be held on June 29, 2021, at first call, and June 30, 2021, at second call. As such, the contract will be effective on June 29, 2021 or June 30, 2021, depending on the date of said general meeting.

The contract of the Executive Director of Prisa MEDIA currently in force was entered into with Prisa Media, S.L.

The Executive Directors shall not receive any amounts for the items envisaged in the previous section 5 (not including the remuneration due to them for their executive functions in the businesses which they are responsible for, i.e. Santillana and PRISA Media, respectively). Nevertheless, the Executive Directors are beneficiaries of the civil liability insurance arranged by the Company for its directors.

The Executive Directors' remuneration can include the following remuneration items:

- fixed remuneration
- short-term variable remuneration and medium- or long-term variable remuneration;
- employee welfare plan;
- remuneration in kind; and
- insurance, savings plans, indemnities and exclusivity, post-contractual non-compete or seniority covenants.

6.2 Fixed remuneration

The Executive Directors shall receive a fixed annual remuneration in cash for their executive and senior management duties, which in the case of the Executive Director of Santillana, Manuel Mirat, will be 500,000 euros; and in the case of the Executive Director of Prisa Media, Carlos Núñez, will be 400,000 euros.

6.3 Variable remuneration

Part of the Executive Directors' remuneration will be variable, with a view to reinforcing their commitment to the Company and incentivizing better performance of their functions. The variable

remuneration of the Executive Directors shall represent a relevant part of their total remuneration and be linked to meeting objectives established by the Board of Directors, most of which shall be specific and quantifiable, so that the variable remuneration does not derive simply from the general performance of the markets, of the Company's activity sector or other similar circumstances. The aim of the Company, in this respect, just as with the rest of the Group's senior managers, is to design competitive remuneration packages that permit attracting and retaining outstanding professionals while establishing a link between remuneration, results and the achievement of objectives for the Company and the Group.

The Executive Directors' variable remuneration currently includes an annual short-term variable amount (see section 6.3.2 below) and a medium-term incentive plan (see section 6.3.3 below), both without prejudice to the provisions of section 2. i) of this Policy with respect to the "Variable medium-term deferred remuneration for the period 2018-2020" in favor of the Executive Director Manuel Mirat, which is currently pending settlement.

Likewise, the Executive Directors may be beneficiaries of an extraordinary incentive linked to the success of key strategic transactions for the interests of the Group, if so decided by the Board of Directors in virtue of section 6.3.4 below (and without prejudice to any extraordinary incentives for key strategic operations in 2020 of which Mr. Mirat is already beneficiary and which are partially pending settlement, as referred to in section 2 ii) of this Policy).

The Executive Directors' variable remuneration targets are approved by the Board of Directors, at the proposal of the CNRGC. At the proposal of that Committee, the Board of Directors is also responsible for assessing the degree of achievement of the established objectives.

6.3.1 Actions taken by the Company in relation to the remuneration plan, to reduce exposure to excessive risk and adjust it to the Company's long-term objectives, values and interests

The variable remuneration system established by the Company includes the following provisions for these purposes:

- The variable remuneration of the Executive Directors aims to boost their commitment to the Company and create incentives for a better performance of their duties. It also represents a relevant part of all their remunerations and is linked to the achievement of targets that have been set in advance by the Board of Directors, which are mostly specific and quantifiable, so that it does not derive solely from the general performance of the markets, the Company's sector of activity or other similar circumstances.
- Every year a variable compensation system is defined which complies with formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set down in writing in advance, and their achievement is determined according to the Company' results and approved by the Board of Directors.
- The variable components of the remuneration are sufficiently flexible to allow them to be modulated to the extent of removing them completely. There is no entitlement to receive a guaranteed annual variable remuneration, without prejudice to the provisions of section 6.3.2 below, with respect to the extraordinary measure agreed with the Executive Chairman of Prisa Noticias, Mr. Núñez, for the fiscal year 2021. The involvement of the CNRGC favors the consideration of the risks associated with the remunerations in the

- discussions and their proposal to the Board of Directors, both to determine them and in the assessment process of the yearly and multi-year incentives.
- All the variable remuneration has maximum payable amounts fixed.
 - Remuneration linked to the Company's earnings shall take into account any qualifications stated in the external auditor's report that reduce those earnings.
 - The contracts of the Executive Directors contain a clawback clause that permits the Company to claim a reimbursement of the variable components of remuneration when they have been paid based on data whose inaccuracy is verified subsequently. This measure has effects for the remuneration received after the entry into force of the respective contracts with the Company. Likewise, the Medium-Term Incentive Plan 2020-2023, referred to in item 6.3.3. below, envisages the corresponding *malus* and clawback clauses.
 - The system for establishing metrics for the quantitative objectives takes into consideration the variables that have been identified within the Company's risk map.

6.3.2 Annual variable remuneration

The annual variable remuneration of the Executive Directors is that regulated in their respective contracts. Under these contracts, the Executive Directors will receive variable remuneration which does not vest, in cash, according to the degree of compliance with objectives assigned to them for each of the annual periods covered by his contract, and which shall be set each year by the Board of Directors at the proposal of the CNRGC. The annual variable remuneration of the Executive Directors, which will be determined according to a scale of achievement, will be linked mainly to the achievement of the specific and quantifiable financial and non-financial objectives, set by the Board of Directors. The determination of the annual variable remuneration of the Executive Directors takes mainly into account the quantitative business-related objectives, which include the Group's operational and financial objectives, and value creation objectives; as well as qualitative objectives related to the metrics linked to environmental, social and corporate governance (ESG) factors, and skills and behavior required from executives of their characteristics.

In particular, to determine the variable short-term remuneration of the Executive Directors corresponding to the fiscal year 2021, the Board of Directors has agreed that the relative weight of the objectives should be as follows: (i) 70% of the variable remuneration will depend on the achievement of quantitative objectives, and (ii) the remaining 30% on the achievement of qualitative objectives. A "key objective" will also be set, and compliance with it will determine whether or not the variable short-term remuneration will accrue.

- **Quantitative objectives:** These objectives aim to motivate and create incentives for the Executive Directors so that they contribute to improve the operational, financial and services results for the Group businesses. Among these objectives, special importance has been given to EBITDA and cash generation, introducing a new objective referring to the growth in digital income, in line with the Company's long-term strategy. The metrics will be based on the budget for the year, and a weighting will be established for each of them. The Board of Directors will also establish a compliance scale for each of the metrics.

- **Qualitative objectives:** The qualitative part includes variables measuring individual performance in relation to certain skills, as well as compliance of certain specific ESG objectives for each of the Group's business unit. Thus part of the qualitative objectives is linked to the individual performance, in accordance with new skills. Of particular value is the effort and leadership demonstrated to boost the organization towards digital and cultural transformation; another part is linked to compliance with the ESG objectives.

For the following years (2022 and 2023), the Board shall have the discretion to establish the variable remuneration system for the Executive Directors within the framework of this Policy (i.e., it will determine the quantitative and qualitative objectives specific for each period, the weighting for each of them, the compliance scales and whether or not to have a "key objective").

This remuneration accrues annually and the degree of achievement of these objectives will be measured at the close of each fiscal year. The CNRGC will verify the degree of compliance with the objectives to which the short-term variable remuneration is subject, and will submit it for final approval by the Board of Directors. The payment will be made in arrears for the previous year within the first six months of the calendar year following the year in which the amount was generated.

The variable remuneration of the Executive Director of Santillana, Mr. Mirat, for a 100% degree of achievement of the established objectives, amounts to 300,000 euros, with the possibility of increasing said amount to a maximum of 130%, if the degree of achievement of the objectives is over 100%, meaning that the maximum amount that the Executive Director can receive for this remuneration item is 390,000 euros.

Likewise, the variable remuneration of the Executive Director of PRISA Media, Mr. Núñez, for a 100% degree of achievement of the established objectives, amounts to 250,000 euros, with the possibility of increasing said amount to a maximum of 130% if the degree of achievement of the objectives is over 100%, meaning that the maximum amount that the Executive Director can receive for this remuneration item is 325,000 euros. For the fiscal year 2021 the variable remuneration of the Executive Director of PRISA Media, Mr. Núñez, will be proportional to the period for which he has provided his services, given that an exceptional agreement has been made with him to guarantee a payment of 50% (i.e. 125,000 euros) with respect to the year 2021.

The Executive Directors' contracts may include a *malus* clause based on the deferral of a portion of the amount to be paid as variable remuneration for a sufficient period. If any event occurs prior to the time of payment that makes it advisable, the corresponding variable remuneration may not be paid, whether fully or partially.

In each Annual Report On Directors' Remuneration, the Company will provide details not only of how this Policy is implemented but of the specific objectives established for each year and their degree of achievement.

6.3.3 *Medium- and long-term variable remuneration*

– Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana

The Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the creation of value for Santillana in the period between September 1, 2020 and December 31, 2023. The plan was approved by the Board of Directors at its meeting held on January 26, 2021.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom is the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximize value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognize the contribution of value by the participants to PRISA and Santillana.

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date of the completion of the plan (December 31, 2023) and the initial date (September 1, 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale that in the case of the Executive Director of Santillana may be up to a maximum of 1.98% of this value creation.

In any event, the amounts paid to the Executive Director of Santillana, Mr. Mirat, as the extraordinary incentive for the sale of Santillana España set out in section 2 ii) of this Policy, will be deducted from this incentive.

Without prejudice to the above, if there is any corporate transaction involving the purchase, sale, merger, separation, share swap, capital increase or decrease, settlement of a takeover bid on the PRISA shares or reorganization of any type or initial public offering within the validity period of the incentive plan, which represents a change in effective control in Santillana and/or PRISA, the plan will be settled early on the date that said transaction is executed.

In these scenarios, the enterprise value will be the price or value of Santillana implied in the corresponding corporate transaction. The Company may engage one or more third-party experts to perform a valuation exercise to determine whether the transaction is convenient or not.

In order to receive the corresponding incentive, the Executive Director of Santillana must maintain his contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory

environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly reported in the corresponding Annual Report on Directors' Remuneration.

– Medium-term 2021-2024 incentive plan linked to the creation of value of PRISA Media

The Executive Director of PRISA Media may be the beneficiary of a medium-term incentive plan linked to the creation of value for PRISA Media in the medium term, if the Board of Directors approves it.

If so, the plan must have the purpose of linking part of the remuneration of the management team (of which the Executive Director of PRISA Media forms part) to the interests of the PRISA shareholders within a multi-year framework and of long-term value creation in relation to PRISA Media, in a similar way as that explained in the above paragraph on the "Medium-term incentive plan 2020-2023 linked to the creation of value for Santillana".

6.3.4 Extraordinary incentives for the execution of key strategic transactions for the interests of Prisa Group

During the financial years 2021, 2022 and 2023, the Executive Directors will be entitled to receive a variable remuneration which does not vest, in cash, when the Board of Directors, following a favorable report of the CNRGC, considers that it is in the best interest of the Company to incentivize and reward his performance in the configuration, preparation, negotiation and execution of corporate transactions that are relevant for the future of the Group. Both Executive Directors or only one of them may be beneficiaries of these extraordinary incentives, depending on a decision of the Board of Directors of PRISA. This is understood without prejudice to the "Extraordinary incentives for key strategic operations in 2020", in favor of the Executive Director Manuel Mirat, as referred to in section 2 ii) of this Policy.

In any case, the extraordinary incentives that may be granted shall include clawback clauses, thus PRISA will be able to claim a reimbursement of all or part of the extraordinary incentive paid in certain scenarios.

The maximum amount to be paid to the Executive Directors under these extraordinary incentives will amount to twice their fixed annual remuneration provided for in their contracts and its final determination, if appropriate, within such limit, shall be carried out by the Board of Directors, following a favorable report of the CNRGC. Moreover, the Executive Directors shall maintain their relationship with Grupo PRISA without any interruption until the payment date of the corresponding incentive, except in certain cases such as death, permanent disability, or the termination of the labor or mercantile relationship under certain circumstances.

In the event of a takeover or change of control affecting PRISA, among other circumstances provided for, the Board of Directors, at the proposal of the CNRGC, may resolve to early terminate the plan. In such cases, the incentive component related to the performance of the share may be considered fulfilled for the purposes of its accrual.

Targets to be reached by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors resolves to include, following the proposal of the CNRGC.

6.4 Indemnity in case of termination of the functions as executive director

The right to receive an indemnity in certain cases of early termination of executive functions is established in the contracts of the Executive Directors with Grupo Santillana Educación Global, S.L.U. (in the case of the Executive Director of Santillana) and PRISA Media, S.L. (in the case of the Executive Director of PRISA Media).

If the contracts of the Executive Directors terminate: i) due to a decision of the company with which they have been entered into; ii) as a result of the removal or non-renewal of the post of director of Grupo Santillana Educación Global, S.L.U. or of PRISA Media, S.L., depending on the executive director in question; or iii) due to a complete or partial revocation of the functions or powers delegated in their favor in the respective companies referred to above, other than due to a breach of their responsibilities or obligations by the Executive Directors, they would be entitled to an indemnity equivalent to 18 months of their annual fixed and variable remuneration in cash, calculated taking into account the termination of their respective contracts (notwithstanding the non-compete compensation set forth in clause 6.5 below).

The Executive Directors shall be entitled to the same indemnity as a result of the voluntary termination of their contracts at the Executive Directors' discretion if there is a change in control (as "change in control" is defined in the contracts) affecting PRISA, the company with which they have concluded their respective contracts (i.e. Santillana Educación Global, S.L.U. and PRISA Media, S.L.) or Prisa Activos Educativos, S.L.U. in the case of Mr. Mirat.

Likewise, in the above cases, the Executive Directors will be entitled, as part of their settlement, to the proportional part of the variable remuneration target referred to in section 6.3.2 above, and, where applicable, of the multi-year incentive.

Likewise, the Executive Director of Santillana, Mr. Mirat, will be entitled to receive the following amounts if his contract is terminated: i) at Grupo Santillana Educación Global, S.L.U.'s election; ii) as a result of the removal or non-renewal of the post of director of Grupo Santillana Educación Global, S.L.U.; iii) total or partial revocation of the functions or powers delegated to him in Grupo Santillana Educación Global, S.L.U. (other than due to a breach of his responsibilities or obligations by Mr. Mirat); or iv) as a result of the voluntary termination of his contract by Mr. Mirat in the case of a change of control affecting PRISA, Prisa Activos Educativos, S.L.U. or Grupo Santillana Educación Global, S.L.U. (the company with which he has concluded his contract):

- i. A labor compensation amounting to 381,145.18 euros gross for the termination of various labor relationships of Mr. Mirat with the various entities of the Prisa Group, from October 20, 1997, until the date of entry into force of the current contract; and
- ii. An additional gross compensation equivalent to the amount that was established at that time as a maximum amount of the contributive unemployment benefit in the Social Security system, for the maximum period established for said benefit.

In any of the above cases, the aforementioned amounts will not be paid until the Company has been able to verify that the Executive Directors have complied with the criteria or conditions established for their payment.

6.5 Other terms and conditions of the contract with the Executive Directors

The essential terms and conditions of the Executive Directors' contracts for services, in addition to the aforementioned remuneration items, are as follows:

- (i) Duration: indefinite, without prejudice to the fact that the contracts are subject to the currency of their respective positions as Executive Chairman of Santillana and PRISA Media.
- (ii) Advance notice to be given by the director: three months. Obligation to reimburse the fixed remuneration applicable at the time of termination of the contract, corresponding to the breached advance notice period.
- (iii) Advance notice to be given by the company which is a party to the contract: three months' advance notice. In case of total or partial breach of the advance notice period, the relevant company will be obliged to pay the fixed compensation applicable at the time of the termination of the contract corresponding to the proportional breach of the advance notice.
- (iv) Exclusivity and non-compete covenants: exclusivity and the specific prohibition not to compete, except the companies excluded in the contract itself.
- (v) Post-contractual non-compete undertaking: Refrain from carrying out activities concurrent with those of the company with which they have signed the contract, both on their own and on behalf of a third party, in the manner and to the extent specified in their contracts. Commitment not to hire any person who on the expiration date of the contract is hired by the company with which they have signed the contract or any other company in their group; and of not contributing to the fact that any worker leaves the same. The duration of this post-contractual non-compete undertaking will be six months for the Executive Director of Santillana, Mr. Mirat, and 12 months for the Executive Director of PRISA Media, Mr. Núñez.
- (vi) Non-compete compensation: six months of the last gross fixed salary, payable in six equal instalments in the case of Mr. Mirat and 12 equal installments in the case of Mr. Núñez over the term of the non-compete covenant. In case of breach, it is envisaged the obligation to refund the amount of compensation and, in addition, an indemnity for an amount equal to six months of the fixed remuneration received.

6.6 Other remuneration in kind

6.6.1 Life and accident insurance

PRISA has signed a policy with an insurance company that covers the contingencies of death for any reason, absolute disability and total permanent disability with a coverage amount equivalent to two and a half years of the fixed remuneration of the beneficiary (the fixed remuneration received in the previous year), additional coverage in the case of accidental death or absolute disability by reason of accident, and further additional coverage in the event of death or permanent disability by traffic accident. Within the Company's Board of Directors, the only beneficiaries of this policy are the Executive Directors. The death benefit has an age limit of 75 years, and the supplementary risk coverage also has an age limit of 65 years.

According to the conditions of the policy, the insured capital for the Executive Directors is that corresponding to two and a half years of the fixed remuneration for their respective posts received in the immediately preceding year.

The insurance premiums are adjusted annually in light of the claims reported on PRISA's Group policies and the insureds' ages. For this purpose, in the first quarter of each year, the premiums attributable to the Executive Directors are revised.

The amounts of the premiums will be detailed in the relevant Annual Report on Directors' Remuneration.

6.6.2 Private health insurance

The Group's policy applicable to all executives includes private health insurance in the form of reimbursement of expenses. On the Company's Board of Directors, the only beneficiaries of this insurance are the Executive Directors, as well as their family members, respecting the age limits appearing in the corresponding policy.

The private health insurance premiums are adjusted annually in light of the claims under PRISA's Group policies and the evolution of the Consumer Price Index in the health sector, according to the broker's proposal. In the last quarter of each year, the premium for the following year is established.

The amounts of the premiums will be detailed in the relevant Annual Report on Directors' Remuneration.

6.7 Other benefits

The Executive Directors will also be entitled to the use of a chauffeured vehicle according to the terms of PRISA Group's vehicle fleet policy.

7. OTHER REMUNERATION OF THE DIRECTORS FOR SERVICES PROVIDED OTHER THAN THOSE INHERENT IN THEIR POSITION

The Company can remunerate certain directors for providing other services, at the proposal of the CNRGC and through a resolution by the Board of Directors. These remunerations, in the case of independent directors, may not reach an amount whose relevance might compromise the performance of their position with due independence.

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