



ANNUAL REPORT ON CORPORATE GOVERNANCE

LISTED COMPANIES

FINANCIAL YEAR: 31.12.2015

TAX ID CODE: A-28297059

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

Registered address: Gran Vía, 32. Madrid 28013

A. OWNERSHIP STRUCTURE

A.1. Complete the following table concerning the company's share capital:

Date Last Modified	Share Capital (€)	Number of Shares	Number of Voting Rights
23/12/2015	235,007,874 €	78,335,958	78,335,958

Indicate whether there are different classes of shares having different rights:

NO

A.2. Indicate the direct or indirect owners of significant holdings in your organization at the end of the financial year, excluding Board Members:

Shareholder's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights	Total % of Voting Rights
BANCO SANTANDER, S.A.	34,866	3,246,872	4.19
FUNDACION BANCARIA CAIXA D ESTALVIS I	0	2,997,879	3.83
HSBC HOLDINGS PLC	0	5,845,758	7.46
TELEFONICA, S.A.	3,586,245	0	4.58
DON NICOLAS BERGGRUEN	6,115	947,433	1.22
GRUPO HERRADURA OCCIDENTE, S.A. DE C.V	0	6,297,076	8.04
RUCANDIO, S.A.	0	13,729,811	17.53
SOCIETE GENERALE, S.A.	2,381,233	0	3.04
INTERNATIONAL MEDIA GROUP, S.A.R.L	6,400,000	0	8.17
AMBER CAPITAL UK LLP	0	10,550,034	13.47

Indirect Shareholder's Name	Direct Shareholder's Name	Number of Direct Voting Rights
BANCO SANTANDER, S.A.	GROUP SANTANDER COMPANIES	3,246,872
HSBC HOLDINGS PLC	HSBC BANK PLC	5,845,758
FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA	CAIXABANK, S.A.	2,997,879
DON NICOLAS BERGGRUEN	BH STORES IV, B.V	947,433

(Free translation from the original in Spanish language)

GRUPO HERRADURA OCCIDENTE, S.A. DE C.V	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE C.V	6,297,076
RUCANDIO, S.A.	TIMON, S.A.	264,271
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	11,303
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	2,574,964
RUCANDIO, S.A.	ASGARD INVERSIONES, SLU	922,069
RUCANDIO, S.A.	OTNAS INVERSIONES, S.L.	3,100,000
RUCANDIO, S.A.	PRISA SHAREHOLDERS´AGREEMENT	6,857,204
AMBER CAPITAL UK LLP	AMBER ACTIVE INVERSTORS LIMITED	7,361,571
AMBER CAPITAL UK LLP	AMBER GLOBAL OPPORTUNITIES LIMITED	2,692,884
AMBER CAPITAL UK LLP	AMBER SELECT OPPORTUNITIES LIMITED	495,579

Indicate the most significant changes in shareholder structure during the financial year:

Shareholder's Name	Date of Transaction	Description of transaction
AMBER CAPITAL LP	03/08/2015	Dropped from 3% of share capital
AMBER CAPITAL UK LLP	03/08/2015	Reached 3% of share capital
AMBER CAPITAL UK LLP	02/10/2015	Reached 5% of share capital
BNP PARIBAS, S.A.	16/10/2015	Reached 3% of share capital
BNP PARIBAS, S.A.	10/11/2015	Reached 5% of share capital
BNP PARIBAS, S.A.	18/11/2015	Dropped from 5% of share capital
DEUTSCHE BANK AG	20/05/2015	Dropped from 3% of share capital
DEUTSCHE BANK AG	09/03/2015	Reached 3% of share capital
MONARCH GP LLC	25/03/2015	Dropped from 3% of share capital
MONARCH MASTER FUNDING 2 (LUXEMBOURG) S.A.R.L.	25/03/2015	Dropped from 3% of share capital
MORGAN STANLEY	29/01/2015	Dropped from 3% of share capital
SUCCINITE XI HOLDINGS II S.A.R.L.	03/08/2015	Dropped from 3% of share capital
UBS GROUP AG	28/09/2015	Dropped from 3% of share capital
UBS GROUP AG	23/09/2015	Reached 3% of share capital

A.3. Complete the following tables concerning members of the Board of Directors who hold voting rights in the Company:

(Free translation from the original in Spanish language)

Director's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights	Total % of Voting Rights
JUAN LUIS CEBRIAN ECHARRI	133,442	48,330	00.23%
MANUEL POLANCO MORENO	8,597	23,841	00.04%
JOSE LUIS SAINZ DIAZ	28,618	0	00.04%
CLAUDIO BOADA PALLERES	3	0	00.00%
ARIANNA HUFFINGTON	13	0	00.00%
ROBERTO LÁZARO ALCÁNTARA ROJAS	5,242	0	00.01%
JOSE LUIS LEAL MALDONADO	606	0	00.00%
GREGORIO MARAÑÓN BERTRAN DE LIS	10,579	16,435	00.03%
ALAIN MINC	12,927	0	00.02%
AGNES NOGUERA BOREL	10,580	16	00.01%
JOHN PATON	133	0	00.00%
BORJA JESUS PEREZ ARAUNA	10,842	1,345	00.02%
ERNESTO ZEDILLO PONCE DE LEON	11,904	0	00.02%
JOSEPH OUGHOURLIAN	0	12,422,244	15.86%
KHALID BIN THANI BIN ABDULLAH AL-THANI	0	6,400,000	08.17%

Indirect Shareholder's Name	Through: Direct Shareholder's Name	Number of Voting Rights
JUAN LUIS CEBRIÁN ECHARRI	CONTROLLED COMPANIES	48,330
MANUEL POLANCO MORENO	CONTROLLED COMPANIES	23,841
GREGORIO MARAÑÓN BERTRÁN DE LIS	CONTROLLED COMPANIES	16,435
AGNES NOGUERA BOREL	SPOUSE	16
BORJA JESÚS PÉREZ ARAUNA	CONTROLLED COMPANIES	1,345
JOSEPH OUGHOURLIAN	AMBER ACTIVE INVERSTORS LIMITED	7,361,571
JOSEPH OUGHOURLIAN	AMBER GLOBAL OPPORTUNITIES LIMITED	2,692,884
JOSEPH OUGHOURLIAN	AMBER SELECT OPPORTUNITIES LTED	495,579
JOSEPH OUGHOURLIAN	SUCCINITE XI HOLDINGS II SARL	1,872,210
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP SARL	6,400,000

Total % of Voting Rights controlled by the Board of Directors	24.44%
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(Free translation from the original in Spanish language)

Complete the following table concerning Members of the Board of Directors holding stock options in the Company:

A.4. Indicate, if applicable, any family, commercial, contractual or corporate relationships existing between the owners of significant shareholdings that are known to the Company, unless they are irrelevant or derive from ordinary commercial transactions:

Names of the Related Persons or Entities
RUCANDIO, S.A.
TIMON, S.A.

Type of Relationship

Corporate

Brief Description:

Rucandio, S.A. controls directly 56.53% of the share capital of Timón, S.A.

Names of the Related Persons or Entities
ASGARD INVERSIONES, SLU
TIMON, S.A.

Type of Relationship

Corporate

Brief Description:

Timón, S.A. directly controls 100% of Asgard Inversiones, S.L.U.

Names of the Related Persons or Entities
PROMOTORA DE PUBLICACIONES, S.L.
TIMON, S.A.

Type of Relationship

Corporate

Brief Description:

Timón, S.A. controls directly 82.95% of the share capital of Promotora de Publicaciones, S.L.

Names of the Related Persons or Entities
OTNAS INVERSIONES, S.L.
ASGARD INVERSIONES SLU

Type of Relationship

Corporate

Brief Description:

Asgard Inversiones, S.L.U controls directly 91.79% of the share capital of Otnas Inversiones, S.L.

(Free translation from the original in Spanish language)

Names of the Related Persons or Entities
NICOLAS BERGGRUEN.
OTNAS INVERSIONES, S.L.

Type of Relationship

Corporate

Brief Description:

Berggruen Acquisition Holdings S.A.R.L. directly holds 8.21% of Otnas Inversiones, S.L.

Names of the Related Persons or Entities
RUCANDIO, S.A.
RUCANDIO INVERSIONES SICAV, S.A.

Type of Relationship

Corporate

Brief Description:

Rucandio, S.A. controls directly 29.40% of the share capital of Rucandio Inversiones SICAV, S.A.

Names of the Related Persons or Entities
RUCANDIO, S.A.
PROMOTORA DE PUBLICACIONES, S.L.

Type of Relationship

Corporate

Brief Description:

Rucandio, S.A. controls directly 8,32% of the share capital of Promotora de Publicaciones, S.L.

Names of the Related Persons or Entities
CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV
GRUPO HERRADURA DE OCCIDENTE, S.A. DE CV

Type of Relationship

Corporate

Brief Description: CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV holds 99.99% of the share capital of Grupo Herradura de Occidente, S.A. de CV.

Names of the Related Persons or Entities
CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV
GRUPO HERRADURA DE OCCIDENTE, S.A. DE CV

Type of Relationship

Corporate

Brief Description: The company CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV is a subsidiary of Grupo Herradura de Occidente, S.A. de CV, as a result of which there are various legal, fiscal and commercial links between them.

(Free translation from the original in Spanish language)

A.5. Indicate, if applicable, any commercial, contractual or corporate relationships existing between significant shareholders and the Company and/or its Group, unless they are of little relevance or derive from ordinary commercial transactions:

A.6. Indicate whether any shareholders' agreement have been communicated to the Company pursuant to articles 530 and 531 LSC. If applicable, describe them briefly and list the shareholders bound by those agreements:

YES

Parties to the Shareholders' Agreement
OTNAS INVERSIONES, S.L.
EVIEND SARL
CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV
MANUEL VARELA UÑA
JOSE BUENAVENTURA TERCEIRO LOMBA
JOSE MARIA ARANAZ CORTEZO
ANDRÉS VARELA ENTRECANALES
JUAN LUIS CEBRIAN ECHARRI
TIMON, S.A.
LIBERTAS 7, S.A.
PROMOTORA DE PUBLICACIONES, S.L.
EDICIONES MONTE ANETO, S.L.
ASGARD INVERSIONES, SLU
INVERSIONES MENDOZA SOLANO, S.L.

% of share capital: 8.75%

Brief Description of the Agreement

2014 PRISA Shareholders' Agreement (See the note in section H)

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

% of share capital: 3.29%

Brief Description of the Agreement

Shareholders' Agreement in Promotora de Publicaciones, S.L. (See the note in section H)

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

% of share capital: 17.53%

Brief Description of the Agreement

Shareholders' Agreement in Rucandio, S.A. (See the note in section H)

(Free translation from the original in Spanish language)

Indicate, if applicable, any concerted actions among company shareholders that are known to the Company:

NO

Expressly indicate any change or breach of those agreements or concerted actions during the financial year.

NO

A.7. Indicate whether any individual or corporate entity controls or may control the Company pursuant to Article 4 of the Securities Market Law, and if so, identify:

NO

A.8. Complete the following tables concerning the Company's treasury stock:

At year's end:

Number of Direct Shares	Number of Indirect Shares (*)	Total % of Share Capital
457,037	0	0.58%

(*) Through:

Indicate any significant variations during the financial year with respect to the provisions of Royal Decree 1362/2007:

A.9. Indicate the conditions and terms of any current powers conferred upon the Board of Directors at the Shareholders 'Meeting to issue, repurchase or transfer treasury stock.

Regarding the derivative acquisition of own shares, the Shareholders 'Meeting held on June 22, 2013 passed the following resolution:

“1. To revoke, to the extent not used, the authorization granted by the Ordinary General Meeting of 30 June 2012, in point eleventh of the agenda therefore, regarding the authorization for direct or indirect derivative acquisition of own shares.

2. To grant express authorization for derivative acquisition of Class A shares of the Company, directly or through any of its subsidiaries, by purchase or by any other inter vivos act for consideration, for a maximum term of 5 years from the holding of this Meeting.

3. To approve the limits or requirements for these acquisitions, which will be as follows:

- The par value of the shares acquired directly or indirectly, added to that of those already held by the Company and its subsidiaries and, if applicable, the controlling company and its subsidiaries, at no time will exceed the permissible legal maximum.

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- The acquired shares must be free of any liens or encumbrances, must be fully paid up and not subject to performance of any kind of obligation.
- A restricted reserve may be established within net worth in an amount equivalent to the amount of the treasury shares reflected in assets. This reserve shall be maintained until the shares have been disposed of or cancelled or there is been a legislative change so authoring.
- The acquisition price may not be less than par value or more than 20 percent higher than market price at the moment of the acquisition. The transactions for the acquisition of own shares will be in accordance with the rules and practices of the securities markets.

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

4. It is expressly stated that the authorization for the acquisition of own shares granted pursuant to this resolution, may be used, in whole or in part, to acquire shares of the Company to be delivered by it in fulfillment of any compensation plan by means of or any agreement for the delivery of shares or options on shares to the members of the Board of Directors and to the managers of the Company in force at any time, and that express authorization is granted for the shares acquired by the Company or its subsidiaries pursuant to this authorization, and those owned by the Company at the date of holding of this General Meeting, to be used, in whole or in part, to facilitate fulfillment of the aforementioned plans or agreements.

5. The Board of Directors is also authorized to substitute the delegated powers granted by this General Shareholders Meeting regarding this resolution in favor of the Delegated Committee, the Chairman of the Board of Directors or the Chief Executive Officer.”

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

- Capital increase in the amount necessary for the rights under the Prisa Warrants issued by the Company to certain of the Company's creditors, that give holders the right to subscribe for new ordinary shares of Prisa exclusively by way of the set-off of receivables, in a maximum foreseen of 37,266,130 euros, through the issue of up to a maximum total set of 372,661,305 new shares with a nominal value of 0.10 euros and with a share premium of 0.1673 euros, although this price will be adjusted in circumstances provided in the agreement. The Prisa Warrants may be exercised by holders, in whole or in part, at any time within a maximum of five (5) years. This resolution was adopted by the Extraordinary Shareholders Meeting of December 10, 2013.
- Resolution delegating authority to increase capital to the Board of Directors, with delegation to exclude preemption rights, if any, adopted by the General Shareholders Meeting of April 20, 2015, in effect until April 2020.
- Resolution delegating to the Board of Directors authority to issue fixed income securities, both straight and convertible into newly-issued shares and/or shares exchangeable for outstanding shares of Prisa and other companies, warrants (options to subscribe new shares or acquire outstanding shares of Prisa or other companies), bonds and preferred shares, with delegation of the authority to increase capital by the amount necessary to cover applications for conversion of debentures or exercise of warrants, and to exclude the preemption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares, adopted by the General Shareholders Meeting of April 20, 2015 in effect until April, 2020.
- Agreement for the transfer of shares in the Company as remuneration for members of the Board of Directors and managerial staff. The total number of shares to be transferred each year may not in any case exceed 1.5% of total capital at any time. The Board of Directors is empowered to adopt such agreements as may be required to meet the obligations derived from this share transfer system in the

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way that best suits the interests of the Company. The shares to be transferred to participants may be Prisa treasury shares or shares from any other financial instrument specified by the Company. The above agreement was adopted by the General Shareholders Meeting held on 28 April 2014 and remains in force until April 2019.

A.9 bis estimated floating capital:

	%
Estimated floating capital	32.94

A.10. State whether there are any restrictions on the transfer of securities and/or any restrictions on voting rights. In particular, information must be provided on the existence of any kind of restriction that may impede the takeover of the company by means of share purchases on the market.

NO

A.11 Indicate whether shareholders at the Annual Meeting have resolved to adopt any anti-takeover measures pursuant to Law 6/2007.

NO

If applicable, explain the measures passed and the terms in which restrictions would not apply:

A.12. State whether the company has issued securities that are not traded on an official market in the EU.

YES

If appropriate, state the different classes of share and, for each class of share, the rights and obligations it confers.

i) “American Depositary Shares ”(“ADS”): At the Extraordinary General Meeting of PRISA held on 27 November 2010, ordinary class A shares and convertible class B shares were issued and were formally subscribed by a depositary bank (Citibank NA), acting purely in a fiduciary capacity for the benefit of the real owners of the PRISA shares. Simultaneously with the subscription, the depositary bank issued “American Depositary Shares ”(“ADS”), representing Class A (ADS-A) and Class B (ADS-B) shares.

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

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

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As indicated in relation to section A.1 (see section H of this Report), the Company's share capital is currently represented by ordinary shares, all of the same class and series, and the reference to Class A shares has disappeared. Also, in 2015 a reverse split was carried out with the consequent effects on the ADSs.

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

ii) "PRISA Warrants 2013": In the context of the refinancing of the Company's bank debt, that has been signed with all the banks and certain institutional investors representing the entirety of PRISA's financial debt, the Extraordinary Shareholders Meeting of PRISA held on December 10, 2013, agreed and issuance of warrants (the "PRISA Warrants 2013" which give the right to subscribe for new Class A ordinary shares of the Company. Likewise at the same Meeting there was approved the Company's capital increase in the amount necessary for the rights under the "PRISA Warrants 2013" to be exercised, exclusively by way of the set-off of receivables, consequently, without pre-emption rights, delegating to the board of directors the power to execute the share issue agreed upon on one or more occasions as rights over the shares are exercised.

B. SHAREHOLDERS MEETING

B.1 Concerning the quorum required at Shareholders Meetings, indicate whether there are differences with respect to the minimum stipulated in the Corporations Law (LSC), and if so, explain.

NO

B.2 Concerning rules for adopting corporate resolutions, explain whether there are differences with respect to those provided in the Corporations Law (LSC) and, if so, explain:

NO

Describe how it differs from the regime provided for in the LSC.

B.3 State the rules applicable to amendment of the bylaws. In particular, information must be provided on the majorities established for amendment of the bylaws and, if appropriate, the rules established to safeguard the rights of shareholders when the bylaws are amended.

The amendment of the Bylaws is a matter for the General Shareholders Meeting and shall be carried out in accordance with the provisions contained in the Capital Companies Act and the Bylaws, whose article 17 provides that for approval of Articles amendments and unless the law otherwise provides, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than fifty percent (50%), or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent twenty-five percent (25%) or more of the subscribed voting capital without reaching fifty percent (50%).

The Corporate Governance Committee shall report on proposals for amending the Bylaws. Furthermore, in accordance with the provisions of the Capital Companies Act, the Board shall prepare a report justifying the

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proposed bylaw amendment to be published on the website of the Company from the date of publication of the notice of the General Shareholders Meeting.

B.4. Provide attendance statistics for the general shareholders' meetings held during the year to which the present report refers and during the previous year:

	Attendance Statistics				
Date of Shareholders ’ Meeting	% physically present	% represented by proxy	% distance voting		Total
			Vote by electronic means	Others	
28 April 2014	25.48%	22.84%	0.00	0.00	48.32%
20 April 2015	23.35%	29.60%	0.00%	0.00%	52.95%

B.5 Indicate whether there are any restrictions in the company bylaws with respect to the minimum number of shares required to attend the Annual Shareholders Meeting:

YES

Number of shares required to attend the Annual Shareholders Meeting	60
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B.6 Section repealed

B.7 State the address and manner of accessing the company's website to view corporate governance content and other information on the shareholders' meetings which must be made available to shareholders through the company's website.

In accordance with the provisions of Article 35 of the Bylaws, the Company maintains a website for the information of shareholders and investors whose URL is <http://www.prisa.com>.

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

The section "Shareholders and Investors" is organized into the following sections: I. GENERAL INFORMATION: i) Communication channels, ii) Shares and Share Capital, iii) Major Shareholders and Treasury Stock, iv) Shareholder agreements Pactos parasociales, v) Dividends, vi) Investor Calendar and vii) Prospectus; II. RELEVANT EVENTS; III. FINANCIAL INFORMATION: i) Periodic Public Information (IPP), ii) Audited Financial Statements and Management Report iii) Average payment period to suppliers IV. CORPORATE GOVERNANCE: i) Bylaws, Regulations And Other Internal Rules, ii) Board of Directors and Board Committees, iii) Honorary Presidency, iv) Management Team, v) Remuneration of Board members and vi) ; V. GENERAL SHAREHOLDERS' MEETING : i) Annual General Meeting Regulations , ii) Exercising the Right to Information , iii) Distance and proxy voting , iv) AGM 2015 , v) Preceding shareholders general meetings

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C. COMPANY MANAGEMENT STRUCTURE

C.1. Board of Directors

C.1.1. Indicate the maximum and minimum number of directors provided for in the Bylaws:

Maximum Number of Directors	17
Minimum Number of Directors	3

C.1.2. Complete the following table providing information concerning Board Members:

Director's Name	Category	Position on the Board	Date of First Appointment	Date of Last Appointment	How Elected
JUAN LUIS CEBRIÁN ECHARRI	EXECUTIVE	CHAIRMAN-CEO	15 June 83	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
MANUEL POLANCO MORENO	EXECUTIVE	DEPUTY CHAIRMAN	19 April 01	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
JOSE LUIS SAINZ DIAZ	EXECUTIVE	CEO	22 July 2014	20 April 2015	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
ROBERTO ALCANTARA ROJAS	PROPRIETARY	DIRECTOR	24 February 2014	28 April 2014	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
CLAUDIO BOADA PALLERES	OTHER EXTERNAL	DIRECTOR	18 December 13	28 April 2014	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
ARIANNA HUFFINGTON	INDEPENDENT	DIRECTOR	24 October 2012	22 June 2013	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
JOSE LUIS LEAL MALDONADO	INDEPENDENT	DIRECTOR	24 October 2012	22 June 2013	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
GREGORIO MARAÑÓN BERTRÁN DE LIS	INDEPENDENT	DIRECTOR	15 June 83	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
ALAIN MINC	INDEPENDENT	DIRECTOR	27 NOVEMBER 10	27 NOVEMBER 10	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING

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AGNES NOGUERA BOREL	PROPRIETARY	DIRECTOR	20 April 06	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
JOHN PATON	INDEPENDENT	DIRECTOR	24 February 2014	28 April 2014	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
BORJA JESÚS PÉREZ ARAUNA	PROPRIETARY	DIRECTOR	18 May 00	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
ERNESTO ZEDILLO PONCE DE LEON	INDEPENDENT	DIRECTOR	27 November 10	27 November 10	APPOINTED AT THE ANNUAL SHAREHOLDERS ' MEETING
JOSEPH OUGHOURLIAN	PROPRIETARY	DIRECTOR	18 December 2015	18 December 2015	COOPTATION
KHALID BIN THANI BIN ABDULLAH AL THANI	PROPRIETARY	DIRECTOR	18 December 2015	18 December 2015	COOPTATION

Total Number of Board Members	15
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Indicate any Members retiring from the Board of Directors during the financial year

Board Member	Board member status upon retirement	Retirement Date
FERNANDO ABRIL-MARTORELL HERNANDEZ	OTHER EXTERNAL	27 March 2015
EMMANUEL ROMAN	INDEPENDENT	27 March 2015
JUAN ARENA DE LA MORA	INDEPENDENT	23 October 2015

C.1.3 Complete the following tables concerning the Members of the Board and their functions:

EXECUTIVE DIRECTORS

Director's Name	Post or Functions
MR. JUAN LUIS CEBRIÁN ECHARRI	CHAIRMAN OF THE BOARD OF DIRECTORS AND OF THE DELEGATED COMMITTEE
MR. MANUEL POLANCO MORENO	DEPUTY CHAIRMAN AND CHAIRMAN OF PRISA AUDIOVISUAL
MR. JOSE LUIS SAINZ DIAZ	CEO

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Total Number of Executive Directors	3
% of the Board	20%

EXTERNAL DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDINGS

Director's Name	Name of Significant Shareholder Who He/She Represents or Who Proposed His/Her Appointment
MRS. AGNES NOGUERA BOREL	PROMOTORA DE PUBLICACIONES, S.L.
MR. BORJA JESÚS PÉREZ ARAUNA	TIMÓN, S.A.
MR. ROBERTO LAZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE C.V
MR JOSEPH OUGHOURLIAN	AMBER ACTIVE INVESTORS LIMITED
MR KHALID BIN THANI BIN ABDULLAH AL THANI	INTERNATIONAL MEDIA GROUP, S.À.R.L.

Total number of external directors representing significant shareholdings	5
% of the Board	33.33%

INDEPENDENT EXTERNAL DIRECTORS

Director's Name	Profession
MR. ALAIN MINC	ENGINEER, POLITICAL AND ECONOMIC ADVISER. PROFESSOR
MRS ARIANNA HUFFINGTON	JOURNALIST. CHAIRMAN AND CHIEF OF "THE HUFFINGTON POST MEDIA GROUP"
MR. ERNESTO ZEDILLO PONCE DE LEON	ECONOMIST. EX PRESIDENT OF MEXICO
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	LAWYER
MR JOSE LUIS LEAL MALDONADO	ECONOMIST. EX ECONOMY MINISTER AND EX PRESIDENT OF THE SPANISH BANKING ASSOCIATION
MR JOHN PATON	JOURNALIST.

Total number of independent external directors	6
% of the Board	40%

State whether any director classed as independent receives from the company, or from its group, any amounts or benefits in respect of an item other than director remuneration, or maintains or has maintained, during the previous year, a business relationship with the company or with any company in its group, either in his own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such a relationship.

(Free translation from the original in Spanish language)

If appropriate, include a statement from the Board explaining the reasons why it considers that the director in question is able to discharge his functions in his capacity as independent director.

MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS: Legal advice during 2015 in the sum of 90,000 euros, provided to Promotora de Informaciones, S.A. (PRISA).

The Board of Directors takes the view that the legal advice provided by Mr Gregorio Marañón to PRISA does not compromise the independence of the Director as the remuneration that he receives in respect of it is not significant for the Director.

OTHER EXTERNAL DIRECTORS

List the other external directors and the reasons why they cannot be considered proprietary or independent and detail their relationships with the company, its executives or shareholders:

Director's Name	Reasons	Company, executive or shareholder with whom maintains the relationship
CLAUDIO BOADA PALLERES	Claudio Boada Pallerés is Senior Advisor of HSBC in Spain and Portugal	HSBC HOLDINGS PLC

Total number of other external directors	1
% of the Board	6.67%

If applicable, indicate any changes that have occurred during the year in each director's status:

C.1.4. Complete the following table with information on the number of female directors during the previous four years, as well as the type of directorship held:

	Number of female directors				Percentage of the total number of directors in each category			
	Year 2015	Year 2014	Year 2013	Year 2012	Year 2015	Year 2014	Year 2013	Year 2012
Executive	0	0	0	0	0.00	0.00	0.00	0.00
Proprietary	1	1	1	1	20.00	33.33	33.33	25.00
Independent	1	1	1	1	16.66	12.50	12.50	12.50
Other External	0	0	0	0	0.00	0.00	0.00	0.00
Total:	2	2	2	2	13.33	12.50	14.28	12.50

C.1.5 Explain the measures that, as the case may be, have been taken to seek to include on the Board of Directors a number of women which enables there to be a balanced presence of both men and women.

(Free translation from the original in Spanish language)

Explanation of measures
<p>Pursuant to Article 529, quindecies, section 3b) of the Corporations Law (Ley de Sociedades de Capital — LSC) and Article 28 of the Board of Directors Regulation, the Nominations and Compensation Committee has set as objective for the composition of the Board of Directors that female directors account for 30% of the total in 2020 (as per recommendation 14 of the CNMV Good Governance Code), and has approved a series of principles and guidelines that must be complied with internally by the Company to improve the gender balance on the management bodies of PRISA.</p> <p>Furthermore, in December 2015 the Board of Directors, at the proposal of the Corporate Governance Committee and the Nominations and Compensation Committee, and in fulfilment of the recommendations of the CNMV Good Governance Code, approved a “Director Selection Policy” that is concrete and verifiable, ensures that director appointment or re-election proposals are based on a prior analysis of the Board of Directors' needs and, at the same time, favours diversity of knowledge, experience and gender.</p> <p>Noteworthy amongst the objectives of that policy are: i) that the principle of diversity in the composition of the Board of Directors should prevail in its broadest sense; ii) the director selection or re-election process will be guided by the goal of achieving an appropriate balance in the Board of Directors as a whole and, toward that end, qualified persons will be sought with personal and professional good repute and whose appointment favours diversity of knowledge, experience, background and gender on the Board of Directors and, furthermore, iii) by 2020 the number of female directors will account for at least 30% of the total members of the Board of Directors.</p>

C.1.6. Explain the measures that, as the case may be, have been taken by the Appointments Committee to ensure that there is no implicit bias in selection procedures which could obstruct the selection of female directors, and so that the company actively looks for and includes women who meet the required professional profile in the potential candidates:

Explanation of measures
<p>One of the changes made in the Board of Directors Regulation in 2015 was the inclusion of the following provision: “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”.</p> <p>In addition, as already stated in section C.1.5 above, in December 2015: i) the Nominations and Compensation Committee set a target for representation of the gender less represented on the Board of Directors and drew up guidelines on how to achieve this objective, and ii) the Board of Directors approved a “Director Selection Policy”, the objectives of which including favouring gender diversity on the Board.</p> <p>Notwithstanding the above, the selection process of the Company is mainly based on the suitability and prestige of the candidates. Previously no ad hoc measures for selecting female directors had been established, precisely due to the non-sexist nature of the Company's procedures.</p>

If, despite the measures that may, as the case may be, have been taken there are few female directors, or none at all, explain the reasons for this situation:

Explanation of reasons
<p>At year-end, 13.33% of the Board of Directors of the Company was formed by women, that represent 16.66% of the independent directors and 20% of proprietary directors.</p>

(Free translation from the original in Spanish language)

Also, women represent 25% of the members of the Appointments and Remuneration Committee and 50% of the members of the Corporate Governance Committee.

Therefore, the number of directors in the Company, despite not being peer is not considered to be few or non-existent.

Notwithstanding the above and given that in November 2015 the term of office of some of the Company's directors expired and, pursuant to Article 225 of the Corporations Law the office will lapse when the next ordinary general meeting of shareholders is held, the Company will address the next restructuring of the Board taking into account the policies and principles approved on gender diversity and selection of directors.

C.1.6 bis Explain the findings of the Nominations and Compensation Committee on the verification of compliance with the selection Policy. And in particular, how the policy is promoting the goal that by 2020 women Directors represent at least 30% of the total members of the board.

Explanation of conclusions:

As already stated in sections C.1.5 and C.1.6 above, on December 18, 2015 the Board of Directors, on a proposal from the Appointments and Remuneration Committee and the Corporate Governance Committee, approved a concrete and verifiable "Director Selection Policy" whose objectives include favouring gender diversity on the Board and, in particular, sets the target for 2020 to bring the number of female directors to at least 30% of the Board total. Also in December 2015 the Nominations and Compensation Committee drew up guidelines on how to achieve this objective.

Since then there have been no changes in the composition of the Board, except for the incorporation of two directors representing significant shareholdings, Joseph Oughourlian and Khalid Bin Thani Bin Abdullah Al Thani, who were appointed as directors at the same meeting of the Board in which that Policy was approved

For the above reasons and, in particular, given the recent date of its approval, it is not possible to verify compliance with such specific selection Policy, but selection processes were based on the principles set by these Policy.

As already indicated in section C.1.6 of this Report, the Company will address a next restructuring of the Board, taking into account the policies and principles approved on gender diversity and selection of directors.

C.1.7. Explain how shareholders with significant holdings are represented on the Board.

As already indicated in section C.1.3 of this Report, the Company has three directors representing significant shareholders of the Company: Mr Borja Jesús Perez Arauna, Mrs. Agnes Noguera Borel, Mr Roberto Lázaro Alcántara Rojas, Mr Khalid Bin Thani Bin Abdullah Al Thani and Mr Joseph Oughourlian.

Mr Borja Jesús Perez Arauna represents Timon, S.A. (Timon) and Mrs. Agnes Noguera Borel represents Promotora de Publicaciones, SL (Propu). Both Timon as Propu are ultimately controlled by Rucandio , S.A, that has an indirect interest of 17.53% in the share capital of PRISA (being included in this percentage the voting rights of the Company that are syndicated through the Shareholders Agreement dated April 24, 2014, which is described in Section A.6 of this Report).

Mr Roberto Lázaro Alcántara Rojas represents Consorcio Transportista Occher, S.A. de CV, that has a direct interest of 8.04% in the share capital of PRISA and that is linked to Rucandio through the above mentioned shareholders agreement dated April 24, 2014.

Mr Khalid Bin Thani Bin Abdullah Al Thani represents International Media Group, S.à.r.l. that has a direct interest of 8.17% in the share capital of PRISA.

Mr Joseph Oughourlian represents Amber Active Investors Limited. Mr Oughourlian has an indirect interest of 15.86% of the share capital of PRISA, through Amber Active Investors Limited and other companies.

Finally it is noted that Mr Manuel Polanco Moreno is a Director representing significant shareholders at the instance of Timon, SA and also is executive director.

C.1.8. Explain, if applicable, why directors representing significant shareholdings have been appointed at the request of shareholders whose stake is less than 3% of share capital:

Indicate whether formal requests for representation on the board have been denied shareholders whose stake is equal or higher than others whose requests to appoint a director to represent a significant shareholding was granted. If so, explain why such requests were denied:

NO

C.1.9. Indicate whether any board member has left his post before the end of his mandate, whether he explained his reasons to the board and by what means, and if expressed in writing to the entire board, provide the reasons given:

Board Member's Name	Reasons
FERNANDO ABRIL-MARTORELL HERNANDEZ	His professional commitments prevent him from exercising office with proper dedication.
EMMANUEL ROMAN	His professional commitments prevent him from exercising office with proper dedication.
JUAN ARENA DE LA MORA	He has resigned as a director for personal reasons.

C.1.10. If applicable, indicate the powers delegated to members of the Board of Directors:

Board Member's Name	Brief Description
MR JUAN LUIS CEBRIÁN ECHARRI	HE HAS BEEN DELEGATED ALL POWERS OF THE

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	BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW
MR JOSE LUIS SAINZ DIAZ	HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW

C.1.11. If applicable, identifies board members who hold posts as directors or officers in subsidiary companies within the listed company's group:

Director's Name	Name of the Group Company	Position	Does he/she has executive functions?
JUAN LUIS CEBRIAN ECHARRI	DIARIO EL PAIS, S.L.	CHAIRMAN	NO
JUAN LUIS CEBRIAN ECHARRI	EDICIONES EL PAIS	CHAIRMAN	NO
JUAN LUIS CEBRIAN ECHARRI	PRISA INC	CHAIRMAN	NO
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010 MEXICO, S.A. DE CV.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER	NO
MANUEL POLANCO MORENO	PRISA AUDIOVISUAL, S.L.	CHAIRMAN	YES
MANUEL POLANCO MORENO	GRUPO MEDIA CAPITAL, SGPS, S.A.	DIRECTOR	NO
MANUEL POLANCO MORENO	MCP MEDIA CAPITAL PRODUCOES, S.A	CHAIRMAN	NO
MANUEL POLANCO MORENO	MEDIA CAPITAL PRODUCOES INVESTIMENTOS SGPS, S.A.	CHAIRMAN	NO
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT CANARIAS, S.L.U	SOLE DIRECTOR	YES
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT ESPAÑA, S.L.U	JOINT AND SEVERAL DIRECTOR	YES
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT PORTUGAL, S.A	CHAIRMAN	NO
MANUEL POLANCO MORENO	PRODUCTORA CANARIA DE PROGRAMAS, S.L.	DIRECTOR	NO
MANUEL POLANCO MORENO	SOCIEDAD CANARIA DE TELEVISION REGIONAL, S.A.	JOINT AND SEVERAL CEO	YES
MANUEL POLANCO MORENO	TESELA PRODUCCIONES CINEMATOGRAFICAS, S.L.	JOINT AND SEVERAL DIRECTOR	YES
MANUEL POLANCO MORENO	TVI - TELEVISÃO INDEPENDENTE, SA	CHAIRMAN	NO
MANUEL POLANCO MORENO	VERTIX, SGPS, S.A.	CHAIRMAN	NO
ARIANNA HUFFINGTON	DIARIO EL PAIS, S.L.	DIRECTOR	NO
ARIANNA HUFFINGTON	EDICIONES EL PAIS, S.L.	DIRECTOR	NO

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JOHN PATON	DIARIO EL PAIS, S.L.	DIRECTOR	NO
JOHN PATON	EDICIONES EL PAIS, S.L.	DIRECTOR	NO
JOSE LUIS SAINZ DIAZ	DIARIO EL PAIS, S.L.	DIRECTOR	NO
JOSE LUIS SAINZ DIAZ	EDICIONES EL PAIS, S.L.	DIRECTOR	NO
JOSE LUIS SAINZ DIAZ	DIARIO AS, S.L.	DIRECTOR	NO

C.1.12. If applicable, indicate the directors of your company who are members of the boards of directors of other companies listed on official Spanish securities markets, other than companies in your own group, which have been reported to the company:

Director's Name	Name of Listed Company	Position
AGNES NOGUERA BOREL	LIBERTAS 7, S.A.	CHIEF EXECUTIVE OFFICER
ALAIN MINC	CAIXABANK, S.A.	DIRECTOR
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	COMPAÑÍA DE DISTRIBUCION INTEGRAL LOGISTA HOLDINGS, S.A.	CHAIRMAN
ARIANNA HUFFINGTON	ONEX CORPORATION	DIRECTOR
JOSEPH OUGHOURLIAN	COFIDE SpA	DIRECTOR
KHALID BIN THANI BIN ABDULLAH AL THANI	EZDAN HOLDING GROUP	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL THANI	QATAR INTERNATIONAL ISLAMIC BANK	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL THANI	VODAFONE QATAR	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL THANI	MEDICARE GROUP	VICE CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL THANI	QATAR ISLAMIC INSURANCE CO.	DIRECTOR
KHALID BIN THANI BIN ABDULLAH AL THANI	AL LJARAH HOLDING	DIRECTOR

C.1.13. Indicate, and if applicable explain, whether the company has established rules regarding the number of boards on which its directors may sit:

YES

Article 10 of the Board Regulations provides that:

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.

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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 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.

C.1.14. Section repealed

C.1.15. State the overall remuneration of the Board of Directors:

Remuneration of the Board of Directors (thousands of €)	6,324
Amount of total pension rights accumulated by current directors (thousands of euros)	0
Amount of total pension rights accumulated by former directors (thousands of euros)	0

C.1.16. Identify members of senior management who are not executive directors and indicate the total remunerations paid in their favor during the financial year:

Name	Position
MIGUEL ANGEL CAYUELA SEBASTIAN	CHIEF EXECUTIVE OFFICER OF GRUPO SANTILLANA
ANTONIO GARCIA-MON MARAÑES	SECRETARY GENERAL
FERNANDO MARTINEZ ALBACETE	CFO
BARBARA MANRIQUE DE LARA	CORPORATE COMMUNICATIONS, MARKETING & EXTERNAL RELATIONS DIRECTOR
VIRGINIA FERNANDEZ IRIBARNEGARAY	INTERNAL AUDIT DIRECTOR

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ANDRES CARDÓ SORIA	CEO PRISA RADIO
ROSA CULLEL	CEO MEDIA CAPITAL.
MANUEL MIRAT SANTIAGO	CEO PRISA NOTICIAS
ANTONIO ALONSO SALTERAIN	CHIEF REVENUE OFFICER
NOELIA HERNANDEZ ARROYO	MANAGING DIRECTOR AND BUSINESS DEVELOPMENT AND DIGITAL TRANSFORMATION

Total Senior Management Salaries (in Euros 000)	5,591
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C.1.17. If applicable, identify the members of the Board of Directors who are likewise members of the boards of directors of significant shareholder's companies and/or in companies within its group:

Director's Name	Significant Shareholder's Corporate Name	Position
MANUEL POLANCO MORENO	RUCANDIO, S.A.	CEO
MANUEL POLANCO MORENO	TIMÓN, S.A.	DEPUTY CHAIRMAN
DON MANUEL POLANCO MORENO	RUCANDIO INVERSIONES SICAV	DIRECTOR
BORJA PÉREZ ARAUNA	TIMÓN, S.A.	DEPUTY CHAIRMAN
BORJA PÉREZ ARAUNA	OTNAS INVERSIONES, S.L.	DIRECTOR
BORJA PÉREZ ARAUNA	PROMOTORA DE PUBLICACIONES, S.L.	JOINT AND SEVERAL DIRECTOR
BORJA PÉREZ ARAUNA	ASGARD INVERSIONES, SLU	JOINT AND SEVERAL DIRECTOR
ROBERTO LAZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	CHAIRMAN
ROBERTO LAZARO ALCANTARA ROJAS	GRUPO HERRADURA DE OCCIDENTE, S.A. DE CV	CHAIRMAN
ALAIN MINC	CAIXABANK, S.A.	DIRECTOR

If applicable, indicate the relevant relationships (other than those listed in the previous table) existing between members of the Board of Directors and significant shareholders and/or companies in the group:

Director's Name	Significant Shareholder's Name	Description of the Relationship
MANUEL POLANCO MORENO	RUCANDIO, S.A.	THE DIRECTOR OWNS 13.55% OUTRIGHT AND IS THE NAKED OWNER OF 11.45% OF THE SHARE CAPITAL OF RUCANDIO, S.A.
MANUEL POLANCO	RUCANDIO INVERSIONES	THE DIRECTOR HAS DIRECT

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MORENO	SICAV, S.A.	HOLDINGS (13.81%) IN THE SHARE CAPITAL OF RUCANDIO INVERSIONES SICAV, S.A.
BORJA JESÚS PÉREZ ARAUNA	TIMÓN, S.A.	THE DIRECTOR HAS AN EMPLOYMENT RELATIONSHIP WITH TIMÓN, S.A.
BORJA JESÚS PÉREZ ARAUNA	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT HOLDINGS (0.0081%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
ROBERTO LAZARO ALCANTARA ROJAS	GRUPO HERRADURA DE OCCIDENTE, S.A. DE CV	THE DIRECTOR HAS INDIRECT HOLDINGS (18.1815%) IN THE SHARE CAPITAL OF GRUPO HERRADURA DE OCCIDENTE, S.A. DE CV.
CLAUDIO BOADA PALLERES	HSBC HOLDINGS PLC	THE DIRECTOR IS SENIOR ADVISOR OF HSBC IN SPAIN AND PORTUGAL.
ARIANNA HUFFINGTON	NICOLAS BERGGRUEN	THE HUFFINGTON POST (WHOSE PRESIDENT AND MANAGER IS ARIANNA HUFFINGTON, DIRECTOR OF PRISA) AND THE BERGGRUEN INSTITUTE (WHOSE CHAIRMAN IS NICOLAS BERGGRUEN, SHAREHOLDER OF PRISA) PARTNERED IN 2014 ON THE CREATION OF THE ONLINE PUBLICATION THEWORLDPOST.
JOSEPH OUGHOURLIAN	AMBER CAPITAL UK LLP	JOSEPH OUGHOURLIAN HAS A DIRECT SHAREHOLDING (1%) IN AMBER CAPITAL UK LLP AND CONTROLS, FOR THE PURPOSES OF ART. 5 OF CONSOLIDATED TEXT OF THE SPANISH SECURITIES MARKET LAW: - AMBER CAPITAL UK, LLP, WHICH ACTS AS INVESTMENT MANAGER OF AMBER ACTIVE INVESTORS LIMITED, AMBER GLOBAL OPPORTUNITIES LIMITED AND AMBER SELECT OPPORTUNITIES LIMITED. - AMBER CAPITAL LP, WHICH ACTS AS INVESTMENT MANAGER OF SUCCINITE XI HOLDINGS II SARL.
KHALID BIN THANI BIN ABDULLAH AL THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	INTERNATIONAL MEDIA GROUP, S.A.R.L IS OWNED 100% BY INTERNATIONAL MEDIA GROUP LIMITED WHICH, IN TURN, IS OWNED 100% BY KHALID BIN THANI BIN ABDULLAH AL THANI.

C.1.18. Indicate if the Board Regulation has been amended during the year.

(Free translation from the original in Spanish language)

YES

In February 2015 the Board of Directors Regulation was amended as part of the integral review of all of the Company's internal rules intended to: i) adapt those rules to the provisions of Law 31/2014 of December 3, 2014 amending the Corporations Law to improve corporate governance, ii) align them with the internal situation of the company and with its customary corporate governance practices and iii) make technical improvements of a purely formal, systematic or grammatical nature.

The Board of Directors Regulation was likewise amended in December 2015 to address certain questions provided for in recommendations 22, 34 and 53 of the CNMV Good Governance Code.

C.1.19. Indicate the procedures for the selection, appointment, reelection, evaluation and removal of directors. Describe the bodies empowered to do so, the steps to be taken and the criteria to be applied in each of those procedures.

Procedures for the selection, appointment, reelection, evaluation and removal of directors are regulated by the Bylaws and the Board Regulations.

Furthermore, in 2015 the Board of Directors, pursuant to the recommendations of the CNMV Good Governance Code, approved a "Director Selection Policy", that is concrete and verifiable, ensures that director appointment or re-election proposals are based on a prior analysis of the Board of Directors' needs and, at the same time, favours diversity of knowledge, experience and gender composition.

Noteworthy amongst the objectives of that policy are: i) that the principle of diversity in the composition of the Board of Directors should prevail in its broadest sense; ii) the director selection or re-election process will be guided by the goal of achieving an appropriate balance in the Board of Directors as a whole and, toward that end, qualified persons will be sought with personal and professional good repute and whose appointment favours diversity of knowledge, experience, background and gender on the Board of Directors and, furthermore, iii) by 2020 the number of female directors will account for at least 30% of the total members of the Board of Directors.

According to Article 19 of the Company Bylaws, the Board shall have a minimum of three and a maximum of seventeen members, who shall be appointed by and whose number shall be determined at the Shareholders' Meeting. In that regard, the shareholders may expressly determine the number at a Meeting, or may do so indirectly by choosing to fill or not to fill vacancies or to appoint or not to appoint new Directors within the aforementioned minimum and maximum number of members.

The Board of Directors shall appoint a Chairman from among its members and may likewise appoint one or several deputy chairmen. It may also appoint a Delegated Committee from one of its members, or one or several Chief Executive Officers, to whom the Board may grant joint or joint and several powers to represent the Company. The Board shall also appoint a secretary, who need not be a board member, and may appoint a deputy secretary, who likewise need not be a board member.

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; coordinate and meet with the non-executive Directors and if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors.

Article 20 of the Bylaws also provides that The Board of Directors will be so comprised that proprietary and independent Directors represent a majority over executive Directors.

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Chapter VI of the Board Regulations provides for the following procedures for appointing, reelection and removing Directors:

- Appointment of Directors: Directors shall be appointed by the participants at the Shareholders 'Meeting or, provisionally, by the Board of Directors in accordance with the provisions of the Companies Law and the Company Bylaws.

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.

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.

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.

- Re-appointment 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.

- Tenure of Service: Directors shall be appointed for a term of four (4) years, and may be re-appointed. Directors appointed by co-optation may be ratified in office by resolution of the first shareholders meeting following his appointment. 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.

- Termination of Tenure: Directors shall leave their posts when the period for which they were appointed has expired, or when so decided by shareholders at a shareholders meeting in the exercise of the powers that are conferred upon them by statute or in the bylaws. Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in cases provided in article 24 of the Board of Directors Regulation, which are described in section C.1.21 below.

The Board of Directors shall not propose the removal of any independent director before completing the term of office set forth in the bylaws for which he was appointed, unless the Board deems that there is just cause for doing so and after seeking the opinion of the Appointment and Remuneration Committee. In that regard, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post.

Committee members shall leave their posts when they cease to be directors.

- Voting Objectivity and Secrecy: 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.

- Evaluation: As provided in the Board of Directors Regulation, 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, shall be submitted to Board approval with the previous report by the

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Corporate Governance Committee. The Chairman will organize and coordinate with the chairman of the relevant Committees the regular evaluation of the Board. Additional information on the assessment of the Board is provided in section C.1.20 below.

C.1.20 Explain to what extent the self-evaluation has produced significant changes to its internal organization and to the procedures applying to its activities:

Description of changes
<p>During 2015 certain internal rules of the Company have been modified (ByLaws, Regulation of the Shareholders Meeting and Regulation of the Board of Directors) not only to adapt them to Law but also to incorporate certain recommendations in relation to good corporate governance and to bring it into line with the internal situation and the Company's customary corporate governance practices; in some cases as a result of the evaluation made in 2014.</p> <p>Note that in the year 2014 the Board of Directors approved a "Guide to Good Practice", The practices listed constitute a guide to good governance in internal matters and it was hoped that it would lead to better and more efficient functioning of the Company's governing bodies, improving the framework of Corporate Governance in the Company, complementing the requirements of applicable legislation and the Company's internal regulations. That Guide arose from the self-evaluation made by the Board in previous years.</p> <p>During 2015 the Board emphasized compliance with that Guide, which was also reviewed. Specifically, there were improvements in the advance timing with which the documentation is sent to the directors and also a special meeting of the Board was held for the review and monitoring of the Strategic Plan. These two aspects are provided in the Decalogue, as a result of the assessments made in previous years.</p>

C.1.20 bis. Describe the evaluation process (and the areas evaluated) conducted by the board of directors, assisted, if applicable, by an external facilitator, in relation to diversity in the membership and competences of the board, the performance and membership of its committees, the performance of the chairman of the board of directors and the company's chief executive, and the performance and contribution of each director.

In accordance with Article 29.3.a.vi of the Board of Directors Regulation, the competences of the Corporate Governance Committee include presenting a report to the Board of Directors evaluating the performance of the Board and its Committees, with an action plan to correct the weaknesses detected.

Toward that end the Corporate Governance Committee prepares questionnaires that it distributes to the directors in order for them to evaluate certain aspects of the operation and methodology of the Board and of the Committees on which they sit, and on matters of strategic planning, operational and financial supervision. The Board of Directors does not evaluate the individual performance and contribution of each director, as it believes an overall evaluation of the board as a single body is sufficient.

The Chairman of the Corporate Governance Committee takes the evaluations carried out by the directors and prepares a report with conclusions and with the consequent actions or improvements to be proposed to the Board.

In this process the Company does not engage the assistance of an external facilitator.

(Free translation from the original in Spanish language)

C.1.20 ter. Breakdown, where appropriate, business relations that the consultant or any company of its group holds with the company or any company in its group.

As already indicated in section C.1.20 bis above, the Company has not hired any external consultant for the evaluation process of the Board.

C.1.21. Indicate under what circumstances Directors are obliged to resign.

As set forth in Article 24.2 of the Board Regulations, Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign, in any circumstance that might harm the company's name or reputation and particularly 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 director is indicted or tried for any of the offences stated in company legislation.

Notwithstanding the foregoing, Directors must to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

- 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.

Article 38.4 of the Board of Director Regulations provides that 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.

C.1.22. Section repealed

C.1.23. Are reinforced majorities required for taking certain types of decisions, other than those required by law?

NO

C.1.24. Indicate whether the requirements for being elected Chairman differ from those required for election to the Board:

(Free translation from the original in Spanish language)

NO

C.1.25. Indicate whether the Chairman may exercise a casting vote:

YES

Matters in which the Chairman has a Casting Vote	
Pursuant to Article 29.3 of the Company Bylaws and Article 19.3 of the Board Regulations, the Chairman may exercise a casting vote to break any possible ties that may arise concerning any matter.	

C.1.26. Indicate whether the Bylaws of the Board Regulations set an age limit for Directors:

NO

B.1.27. Indicate whether the Bylaws or Board Regulations limit the term of office of independent directors, different from that required by law:

NO

C.1.28 Indicate whether the Bylaws or board regulations stipulate specific rules on appointing a proxy to the board, the procedures thereof and, in particular, the maximum number of proxy appointments a director may hold. Also indicate whether there is any limitation beyond the statutory restrictions on the categories in which a proxy appointment may be made. If so, give brief details.

Article 29 of the Company Bylaws and Article 19 of the Board Regulations provide that if it is impossible for them to attend board meetings, they will appoint another director as proxy. In that regard, proxies must be in writing, specifically for the meeting in question and instructing to the representative about the sense of any vote.

Non-executive directors can only delegate their representation to other non-executive directors.

C.1.29. Indicate how many Board Meetings were held during the year. Also indicate, if appropriate, how often the Board met without the chairman's attendance. Proxies granted with no specific instructions will be treated as attendances.

Number of Board Meetings	6
Number of meetings that the President did not attend	0

If the chairman is an executive director, indicate the number of meetings held without the attendance or representation of an executive director and under the chairmanship of the coordinating director

Number of meetings	4
---------------------------	---

Indicate the number of meetings held by the Board's committees:

Committees	Number of Board Meetings
Delegated Committee	5
Audit Committee	7
Compensations and Nominations Committee	7
Corporate Governance Committee	5
Committee for Strategic Digital Change	8

C.1.30. Indicate the number of meetings held by the Board of Directors during the financial year in which all members were in attendance. Proxies in attendance with specific instructions should be counted as attendances:

Number of meetings with all directors attending	0
% of attendances with respect to the total number of votes during the year	90.48

C.1.31. Indicate whether the individual and consolidated annual accounts submitted to the Board for its approval are previously certified:

NO

Identify, if applicable, the person or persons who certified the individual and consolidated annual accounts of the Company, for submission to the Board:

C.1.32. Explain, if they exist, the mechanisms established by the Board of Directors to prevent the annual and consolidated accounts from being submitted at the Shareholders' Meeting with provisos in the Auditor's Report.

According to Article 27 of the Board Regulations and, by reference, Article 529. quaterdecies of the Corporations Law (LSC), the Audit Committee has the following duties in relation to the process of preparing and publishing the Company's financial information:

- i. Supervising the effectiveness of the company's internal control, the internal audit and risk management systems, including tax risks, as well as discussing with the statutory auditor any significant weaknesses detected in the audit in the internal control system.

(Free translation from the original in Spanish language)

- ii. Supervising the process of preparing and presenting the prescribed financial information.
- iii. Giving the board of directors prior reports on the periodic financial information the company must publish.

C.1.33. Is the Secretary of the Board of Directors likewise a Director?

NO

If the secretary does not hold a full directorship, complete the following table:

Full individual or corporate name of Secretary	Representative
Antonio García-Mon Marañes	

C.1.34 . Section repealed

C.1.35. Indicate, if applicable, the mechanisms established by the Company to preserve the independence of auditors, financial analysts, investment banks and rating agencies.

Article 27 of the Board Regulation and, by reference, Article 529 quaterdecies of the LSC, provides that the Audit Committee will have the following basic duties in relation to the Company's statutory auditor:

- i. Raising with the board of directors the proposals for selection, appointment, re-election and replacement of the statutory auditor, as well as the contractual terms of its engagement, and obtaining information therefrom on a regular basis regarding the audit plan and its implementation, as well as ensuring independence in the exercise of its duties.
- ii. Establishing the appropriate relationships with the statutory auditors to receive information regarding such questions as may compromise their independence, for review by the committee, and any others related to the process of auditing accounts, and such other communications as may be contemplated in the legislation regarding auditing of accounts and audit standards. In all events, there must be received each year from the statutory auditors the declaration of their independence in relation to the company or to its directly or indirectly related companies, as well as the information on additional services provided of any kind and the fees received from said entities by the statutory auditors or by their related persons or enterprises according to the legislation on accounting auditors.
- iii. Annually, prior to the issue of the audit report, issuing a report stating an opinion regarding the independence of the statutory auditors. Said report must in all events contain an assessment of the provision of the additional services referred to in the preceding subparagraph, considered individually and in aggregate, other than the legal audit and in relation to the rules on independence or to the audit regulations.

Likewise, article 43 of the Board Regulations stipulates that:

- 1. The Board of Directors shall refrain from proposing the appointment or renewal of a firm of auditors when the fees paid by the Company for all of its services represent more than 5% of the annual income of that auditing firm, based on the average for the last five years.

(Free translation from the original in Spanish language)

2. The Board of Directors shall publicize the total fees that the Company has paid to the auditors, differentiating between fees for auditing company accounts and those paid for other services rendered. The Annual Report of company accounts must likewise include a breakdown of the fees paid to auditors, as well as those paid to any company belonging to the firm of auditor's corporate group or to any company sharing common property, management or control with the Company's auditors.

C.1.36 Indicate whether during the financial year the company has changed external auditors. If so, specify the former and present auditors:

NO

In the event there were discrepancies with the former auditor, explain the nature of those discrepancies:

C.1.37. Indicate whether the auditing firm renders other non-auditing services to the Company and/or its corporate group and, if so, state the amount of fees paid for those services and the percent that this represents of the total fees invoiced to the Company and/or its group.

YES

	Company	Group	Total
Amount paid for non-auditing services (Euros 000)	457	589	1,046
Amount paid for non-auditing services / Total amount invoiced by the auditing firm (%)	72%	30%	41%

C.1.38. Indicate whether the report on the audit of the annual accounts for the previous year contained any reservations or qualifications. If so, indicate the reasons provided by the chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

NO

C.1.39. Indicate the number of consecutive years that the present auditing firm has audited the annual accounts of the Company and/or its group. Likewise indicate the percent that the number of years with this auditing firm represents with respect to the total number of years that the annual accounts have actually been audited.

	Company	Group
Number of consecutive years	25	24

	Company	Group
Number of years audited by the present	100.00	100.00

(Free translation from the original in Spanish language)

auditing firm / Number of years that the Company has been audited (%)		
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C.1.40. Indicate whether there is a procedure for Directors to obtain outside counsel and, if so, describe that procedure.

YES

Description of the Procedure
<p>Article 32 of the Board Regulations includes the following procedure:</p> <p>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.</p> <p>Such advice must necessarily relate to specific problems of a degree importance and complexity that arise in the discharge of the directors' duties.</p> <p>The request to engage the advisor will be channelled through the Chairman, which may subject it to prior authorization 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.</p> <p>Likewise it is established that the Delegated Commission and the Committees may seek outside advice when they deem it necessary for the fulfillment of their obligations.</p>

C.1.41. Indicate whether there is a procedure for Directors to obtain the information they need in sufficient time to enable them to prepare for the meetings of the governing bodies and, if so, describe that procedure:

YES

Description of the Procedure
<p>The Board Regulations of PRISA contain the following provisions:</p> <p>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 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.</p> <p>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.</p> <p>The Chairman of the Board, with the assistance of the Secretary (who must take all necessary measures for the correct functioning of the Board), will ensure that the Directors are supplied with sufficient information in advance of board meetings.</p> <p>Board of Directors meetings will be called at least 7 days in advance and the notice of the meeting will</p>

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always set out the agenda. The Chairman will make sure that the Directors have the necessary information on the Company's activity and performance to adopt proposed resolutions set out on the agenda of each Board meeting.

Moreover, as pointed out in section C.1.20 of this Report, the Board of Directors has approved a Guide to Good Practice which constitutes a guide to internal conduct in matters of good governance and which makes a series of practices compulsory, including the sending of information to directors.

C.1.42. Indicate whether the company has rules (and if so, describe those rules) compelling directors to inform and, if warranted, resign in circumstances that may damage the prestige and reputation of the company:

YES

Description of the Procedure
As established in section 24.2. of the Rules of the Board of Directors, Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign, in any circumstance that might harm the company's name or reputation and particularly 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 director is indicted or tried for any of the offences stated in company legislation.
Notwithstanding the foregoing, Directors must to inform the board of any criminal charges brought against them and the progress of any subsequent trial.
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.

C.1.43. Indicate whether any member of the Board of Directors has informed the company that he has been prosecuted or that proceedings have been brought against him for any of the offenses listed in Article 213 of the Corporations Law:

NO

Indicate whether the Board of Directors has reviewed the case. If yes, explain the reasons underpinning the decision on whether or not the director should continue in

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office or, if appropriate, detail the steps taken by the Board of Directors up to the date of this report or the steps it intends to take.

C.1.44. Detail the major agreements entered into by the company that come into force, are changed or terminate in the event that the control of the company changes as a result of a tender offer, and its effects.

i) Refinancing agreement signed by Prisa, HSBC Plc., as agent, and other financial institutions (Override Agreement), in December 2013:

The refinancing agreement includes grounds for acceleration, which include the acquisition of control of PRISA (understood as meaning the acquisition by one or more people acting in concert of more than 30% of the capital with voting rights).

ii) Financing agreement signed by Prisa and Wilmington Trust (London) Limited, as agent, and other financial institutions (New Money Facility Agreement) in December 2013:

The refinancing agreement includes grounds for acceleration, which include the acquisition of control of PRISA (understood as meaning the acquisition by one or more people acting in concert of more than 30% of the capital with voting rights).

C.1.45. Identify, in aggregate terms, and indicate, in detail, the agreements between the company and its managers, executives or employees which provide for indemnification, safeguard or golden parachute clauses in the event of their resignation or unjustified dismissal, or in the event that the contractual relationship ends as a result of a tender offer or another type of transaction.

Number of Beneficiaries: 16

Type of Beneficiaries: 3 Consejeros Ejecutivos, 10 miembros de la Alta Dirección y 3 Directivos de Grupo PRISA que no forman parte de la Alta Dirección.

Description of the agreement:

Retirement benefit for Executive Chairman:

The contract signed with the Executive Chairman, Mr. Juan Luis Cebrián Echarri, which entered into effect on 1 January 2014, provides that for each of the years 2014, 2015, 2016, 2017 and 2018, he is entitled to an annual contribution of 1,200,000 euros, as retirement benefit. Mr. Cebrián, founder of El País, this year will turn 40 years of service to the Company.

The retirement benefit will be delivered to Mr. Cebrián upon conclusion of his contract, even though the director resigns of his own accord. In the event of early termination of his contract by the Company, Mr. Cebrián as indemnification will receive exclusively full settlement of the retirement benefit, which will not be compatible with any other kind of indemnification

Indemnification for unjustified dismissal:

i) The contracts of executive directors Mr Jose Luis Sainz Díaz and Mr Manuel Polanco Moreno and the contracts of 6 senior managers includes a special clause that provides, in general terms, an indemnification for

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unjustified dismissal in an amount that ranges from between one year and one and a half years of total remuneration (fixed salary plus, normally, the last bonus received).

And the commercial contract with two of those senior managers, in turn, provides that: i) the indemnification, alternatively, will be the greater of the following: the indemnification defined in the preceding paragraph or the one that would have been receivable for an ordinary employment relationship in the event of unjustified dismissal; and ii) in addition, the executive will receive compensation equivalent to the maximum unemployment benefit that applies at the time the contractual relationship is terminated.

ii) Furthermore, at December 31, 2015, three executives of Grupo PRISA (who are not considered part of the Senior Management) had a golden parachute.

Post-contractual noncompetition undertaking:

The contracts of executive directors Mr Jose Luis Sainz Díaz and Mr Manuel Polanco Moreno contain a 1-year post-contractual noncompetition agreement, with compensation equivalent to six months of the last gross fixed salary, payable in equal instalments over the term of the noncompetition agreement.

The contracts of 8 members of the senior management likewise provide for a post-contractual noncompetition agreement of between 6 months and 1 year, with compensation equivalent to 6 months or 1 year, as the case may have it, of the last gross fixed salary, payable in equal instalments over the term of the noncompetition agreement.

In addition, one executive not considered part of the senior management has a noncompetition agreement of 6 months with compensation equivalent to three months of his fixed salary.

Indicate whether such contracts must be reported and/or approved by the governing bodies of the Company or Group:

	Board of Directors	Shareholders 'Meeting
Body authorizing these clauses	YES	NO

Are the participants at the Shareholders 'Meeting informed of these clauses?	YES
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C.2. Committees of the Board of Directors

C.2.1 List all of the Board committees, their members and the proportion of proprietary and independent directors on them:

DELEGATED COMMITTEE

Name	Position	Classification
MR. JUAN LUIS	CHAIRMAN	EXECUTIVE DIRECTOR

(Free translation from the original in Spanish language)

CEBRIÁN ECHARRI		
MR. JOSE LUIS SAINZ DIAZ	MEMBER	EXECUTIVE DIRECTOR
MR. MANUEL POLANCO MORENO	MEMBER	EXECUTIVE DIRECTOR
MR. GREGORIO MARAÑON Y BERTRAN DE LIS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. ALAIN MINC	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. ROBERTO LAZARO ALCANTARA ROJAS	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

% EXECUTIVE DIRECTORS	50.00%
% EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS	17.00%
% INDEPENDENT EXTERNAL DIRECTOR	33.33%
% OTHER EXTERNAL	0.00%

Describe the functions attributed to this committee, its rules of procedures organization and functioning, and summarize its most important actions during the year:

The rules governing the organization and operations of the Delegated Committee that are described below are contained in article 17 of the Board of Directors Regulation:

The Delegated Commission 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.

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 (Functions of the Board of Director), 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. As provided in said article, resolutions related to the following matters whose amount 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: i) 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 and ii) 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

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operations of a comparable nature the complexity of which might impair the transparency of the Company or its Group.

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.

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

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.

The Delegated Commission will prepare minutes of its meetings on the terms provided for the Board of Directors.

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.

The Delegated Commission may engage external advisors, when it feels this is necessary for the discharge of its duties.

The function performed by the Delegated Committee during 2015 primarily consisted in supervising the activities and results of the Company and of the Board of Directors.

State whether the composition of the delegated or executive committee reflects the participation on the board of the various directors according to their category:

NO

If not, explain the composition of the delegated or executive committee
In the Delegated Committee there is a predominance of executive directors (3 of the board members are classed as such), accompanied by one proprietary director and 2 independent directors.
The Board of Directors is composed of 3 executive directors, 5 proprietary directors, 6 independent directors and 1 external director.

AUDIT COMMITTEE

Name	Position	Classification
MR. ALAIN MINC	CHAIRMAN	INDEPENDENT

(Free translation from the original in Spanish language)

		EXTERNAL DIRECTOR
MR. JOSE LUIS LEAL MALDONADO	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR CLADIO BOADA PALLERES	MEMBER	OTHER EXTERNAL

%External Directors representing significant shareholdings	00.00
%Independent Directors	67.00
%Other Directors	33.00

Describe the functions attributed to this committee, its rules of procedures organization and functioning, and summarize its most important actions during the year:

The rules of organization and functioning of the Audit Committee are set out in Article 25 of the Bylaws and in Article 27 of the Board of Directors Regulation.

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.

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.

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.

The Audit Committee will have the competencies contained in the regulations applicable from time to time. It will also be competence of the Audit Committee, to evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.

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.

The Audit Committee will meet from time to time, as needed, but no less than four (4) times per year.

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.

The most important actions of the Audit Committee during 2015 are detailed in the annual report on this Committee's activities, which will be published when the 2016 Ordinary General Meeting is called, on the corporate website www.prisa.com.

Identify the director member of the audit committee who has been appointed taking into account his or her knowledge and experience in accounting or audit matters or in both, and state the number of years the chairman of this committee has held said office.

Name of director with experience	DON ALAIN MINC
Number of years chairman has served in that capacity	1

NOMINATION AND COMPENSATION COMMITTEE

Name	Position	Classification
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MR. BORJA PEREZ ARAUNA	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. ALAIN MINC	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MRS. AGNES NOGUERA BOREL		EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

%External Directors representing significant shareholdings	50.00
%Independent Directors	50.00
%Other Directors	00.00

Describe the functions attributed to this committee, its rules of procedures organization and functioning, and summarize its most important actions during the year:

The rules of organization and functioning of the Nominations and Compensation are set out in Article 27 of the Bylaws and in Article 28 of the Board of Directors Regulation.

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.

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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:

- 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.

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- 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 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 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.

The most important actions of the Nominations and Compensation Committee during 2015 are detailed in the annual report on this Committee's activities, which will be published when the 2016 Ordinary General Meeting is called, on the corporate website www.prisa.com.

CORPORATE GOVERNANCE COMMITTEE

Name	Position	Classification
MR. ERNESTO ZEDILLO	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MRS ARIANNA HUFFINGTON	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR JOSE LUIS LEAL	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MRS AGNES NOGUERA BOREL	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

%External Directors representing significant shareholdings	25.00
%Independent Directors	75.00
%Other Directors	00.00

Describe the functions attributed to this committee, its rules of procedures organization and functioning, and summarize its most important actions during the year:

The rules of organization and functioning of the Corporate Governance Committee are set out in Article 26 of the Bylaws and in Article 29 of the Board of Directors Regulation.

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.

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.

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.

(Free translation from the original in Spanish language)

- 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.
 - 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.
 - v. Monitor and evaluate the company's interaction with its stakeholder groups.
- 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.
 - iii. Exercising all other powers assigned to the Committee in this Regulation.

(Free translation from the original in Spanish language)

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.

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.

The most important actions of the Corporate Governance Committee during 2015 are detailed in the annual report on this Committee's activities, which will be published when the 2016 Ordinary General Meeting is called, on the corporate website www.prisa.com.

COMMITTEE FOR STRATEGIC DIGITAL CHANGE

Name	Position	Classification
MR. JUAN LUIS CEBRIÁN ECHARRI	MEMBER	EXECUTIVE DIRECTOR
MR. JOSE LUIS SAINZ DIAZ	MEMBER	EXECUTIVE DIRECTOR
MR JOHN PATON	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR

%External Directors representing significant shareholdings	00.00
%Independent Directors	33.33
%Other Directors	00.00

Describe the functions attributed to this committee, its rules of procedures organization and functioning, and summarize its most important actions during the year:

The rules of organization and functioning of the Committee for Strategic Digital Change are set out in Article 30 of the Board of Directors Regulation.

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.

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.

The Committee for Strategic Digital Change will have the following basic authority:

(Free translation from the original in Spanish language)

- 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.
- 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, analyzing and reporting to the Board of Directors on investment transactions in the digital transformation area.
- x. Analyzing 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.

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.

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.

The most important actions of the Committee for Strategic Technologic Change during 2015 are detailed in the annual report on this Committee's activities, which will be published when the 2016 Ordinary General Meeting is called, on the corporate website www.prisa.com.

C.2.2 Complete the following table with information on the number of female directors who have sat on Board committees during the previous four years:

	Number of female directors			
	Year 2015 Number %	Year 2014 Number %	Year 2013 Number %	Year 2012 Number %
Delegated Committee	0 (00.00)	0 (00.00)	0 (00.00)	0 (00.00)
Audit Committee	0 (00.00)	0 (00.00)	1 (25.00)	1 (25.00)

(Free translation from the original in Spanish language)

Nomination and Compensation Committee	1 (25.00)	1 (25.00)	0 (00.00)	0 (00.00)
Corporate Governance Committee	2 (50.00)	2 (50.00)	2 (50.00)	2 (50.00)
Committee for Strategic Digital Change	0 (00.00)	0 (00.00)	0 (00.00)	0 (00.00)

C.2.3 Section repealed

C.2.4 Section repealed

C.2.5. Indicate, if applicable, whether there are board committee regulations, and if so, where they are available for consultation and any amendments made to them during the financial year. Likewise indicate whether any non-mandatory annual reports are issued concerning the activities of each committee:

As already pointed out in section C.2.1 above, the functioning, powers and composition of the Delegated Committee, Audit Committee, Nomination and Compensation Committee, Corporate Governance Committee are regulated by the Bylaws and by the Board Regulations. The Committee for Strategic Digital Change is regulated by the Board Regulations.

The Bylaws and the Board Regulations are available on the Company's website (www.prisa.com). As already stated in section C.1.18 of this Report, during the early months of 2015 the Company carried out a review of its internal rules, for the following purposes: i) to adapt those rules to the provisions of Law 31/2014 of December 3, 2014 amending the Corporations Law to improve corporate governance, ii) align them with the internal situation of the Company and with its customary corporate governance practices and iii) make technical improvements. The review led to amendments of the Bylaws and of the Board of Directors Regulation and, inter alia, the articles regulating Board Committees (see Material Disclosures no 221556 and 220259 of April 20 and March 18, 2015).

The Board of Directors Regulation was likewise amended in December 2015 to address certain questions provided for in recommendations 22, 34 and 53 of the CNMV Good Governance Code; specifically, articles 27 and 29 regulating the Audit Committee and the Corporate Governance Committee, respectively, were amended (see Material Disclosure no 232735 de 18 December 2015).

In 2015 the Audit, Nomination and Compensation, Corporate Governance Committees and the Committee for Strategic Digital Change published reports on their functions and activity during 2014. Those reports were made available to the shareholders when the ordinary general meeting of April 2015 was called and are posted on the Company's website (see Material Disclosure no 220259 of March 18, 2015).

Those committees will again issue reports on their functions and activities during 2015, which will likewise be made available to the shareholders.

C.2.6 Section repealed

D. RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1 Identify the competent body and explain, if appropriate, the procedure for approving related-party transactions or intra-group transactions.

(Free translation from the original in Spanish language)

Procedure for reporting the approval of related-party transactions

The Board of Directors Regulation provides that is a non delegable function of the Board of directors the approval, after a report from the Audit Committee, of related party transactions, being required that the innocuousness of the authorized 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.

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.

Transactions with Directors (article 38 of the Board of Directors Regulation):

Authorization of the Board of Directors will not be necessary for those director's 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;
- c) The amount is no more than 1% of the Company's annual revenue.

Transactions with Significant Shareholders (article 39 of the Board of Directors Regulation):

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.

Under no circumstances will any such transaction be authorized before a report has been issued by the Audit Committee evaluating the transaction in the light of market conditions.

However, authorization of the Board of Directors will not be deemed to be required in those transactions that simultaneously satisfy the following 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;
- c) The amount is no more than 1% of the Company's annual revenue.

The Company discloses related-party transactions in accordance with the relevant legal provisions. Likewise, art. 40 of the Board Regulations provides that 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.

D.2. Give details of transactions of a significant nature on account of the sums involved or material transactions on account of the subject-matter involved carried out between the company or entities of its group and the significant shareholders of the company:

(Free translation from the original in Spanish language)

Significant Shareholder's Name	Name of the Company or Entity in the Group	Nature of the Relationship	Type of Transaction	Amount (Euros 000)
TELEFÓNICA, S.A.	GRUPO PRISA	Commercial	Rendering of services	6,153
CAIXABANK, S.A.	GRUPO PRISA	Commercial	Rendering of services	2,222
BANCO SANTANDER, S.A.	GRUPO PRISA	Commercial	Rendering of services	3,409
RUCANDIO, S.A.	GRUPO PRISA	Commercial	Rendering of services	37
TELEFÓNICA, S.A.	GRUPO PRISA	Commercial	Reception of services	11,230
BANCO SANTANDER, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Commercial	Reception of services	1,854
HSBC HOLDINGS, PLC	PROMOTORA DE INFORMACIONES, S.A.	Commercial	Reception of services	1,757
BANCO SANTANDER, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Financing Agreements: Loans	9,629
BANCO SANTANDER, S.A.	GRUPO SANTILLANA DE EDUCACION GLOBAL, S.L.	Contractual	Financing Agreements: Loans	5,511
BANCO SANTANDER, S.A.	MEDIA GLOBAL, SGPS	Contractual	Financing Agreements: Loans	17,500
BANCO SANTANDER, S.A.	ANTENA 3 DE RADIO, S.A.	Contractual	Financing Agreements: Loans	7,948
CAIXABANK, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Financing Agreements: Loans	67,232
HSBC HOLDINGS, PLC	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Financing Agreements: Loans	542,775
BANCO SANTANDER, S.A.	GRUPO PRISA	Contractual	Warranties	685
CAIXABANK, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Warranties	250
BANCO SANTANDER, S.A.	GRUPO PRISA	Contractual	Interest paid	1,085
BANCO SANTANDER, S.A.	GRUPO PRISA	Contractual	Interest accrued but not paid	249
CAIXABANK, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Interest paid	1,255
CAIXABANK, S.A.	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Interest accrued but not paid	269
HSBC HOLDINGS, PLC	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Interest paid	14,757
HSBC HOLDINGS, PLC	PROMOTORA DE INFORMACIONES, S.A.	Contractual	Interest accrued but not paid	847
TELEFÓNICA, S.A.	GRUPO PRISA	Contractual	Other	1,160
INTERNATIONAL MEDIA GROUP, S.A.R.L	PROMOTORA DE INFORMACIONES, S.A.	Corporate	Contributions of capital in cash or in kind	64,000

D.3 Give details of transactions of a significant nature on account of the sums involved or material transactions on account of the subject-matter involved carried out between the company or entities of its group and the company's directors or executives:

(Free translation from the original in Spanish language)

Manager's or Director's Name	Name of the Company or Entity in the Group	Relationship	Nature of the Relationship	Amount (Euros 000)
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	PROMOTORA DE INFORMACIONES, S.A.	PROVISION OF SERVICES	Contractual	90

D.4 Provide information on significant transactions carried out by the company with other entities of the same group, where such transactions are not eliminated in the process of preparing the consolidated financial statements and do not fall within the usual course of the company's business, as regards their subject-matter or terms and conditions.

In all cases, information must be provided on any intra-group transactions carried out between entities established in countries or territories regarded as tax havens:

Name of the Group Entity	Brief Description of the Transaction	Amount (Euros 000)
LE MONDE LIBRE	LOAN GRANTED BY PRISA NOTICIAS, S.L. TO LE MONDE LIBRE SOCIÉTÉ COMANDITÉ SIMPLE.	9,071
SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	DIVIDENDS PAID BY SISTEMAS RADIOPOLIS, S.A. DE CV TO ITS SHAREHOLDER SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	2,240
SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	LOANS GRANTED BY SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L. TO THE COMPANIES IN WHICH IT HOLDS HOLDINGS, W3COMM CONCESIONARIA, S.A. DE CV AND GREEN EMERALD BUSINESS INC.	1,816
PRISA RADIO, S.A.	INCOME RECEIVED BY PRISA RADIO, S.A FOR THE PROVISION OF TECHNICAL ASSISTANCE AND ADVISORY SERVICES TO SISTEMAS RADIOPOLIS, S.A. DE CV	1,216
EDICIONES EL PAÍS, S.L.	INCOME RECEIVED BY EDICIONES EL PAÍS, S.L. FOR THE SALE OF COPIES TO KIOSKOYMÁS, SOCIEDAD GESTORA DE LA PLATAFORMA TECNOLÓGICA, SL	413
PRISA NOTICIAS, S.L	THE FINANCIAL EXPENSE RECORDED BY PRISA NOTICIAS, S.L. DUE TO THE DETERIORATION OF THE LOAN MADE TO LE MONDE LIBRE SOCIÉTÉ COMANDITÉ SIMPLE	1,244

D.5 State the amount involved in related-party transactions.

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(Free translation from the original in Spanish language)

D.6. Describe the mechanisms in place to detect, determine and resolve possible conflicts of interest between the Company and/or its group and its directors, managers and significant shareholders.

1. The Board of Directors Regulation provides the following:

“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 ...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.”

“Article 38 (Conflicts of Interest and Transactions with Directors): 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.

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".

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.
- 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.

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

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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.

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 authorization 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 authorized 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.

Without prejudice to the foregoing, authorization of the Board of Directors will not be necessary for those related party transactions that simultaneously satisfy the following three conditions:

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

“Article 39(Transactions with Significant Shareholders): 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.

Under no circumstances will any such transaction be authorized before a report has been issued by the Audit Committee evaluating the transaction in the light of market conditions.

However, authorization 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.”

2. The Internal Conduct Regulation for Matters Related to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies" (RIC), states the following regarding conflicts of interest:

i. Persons obliged to do so by the Internal Code of Conduct must report to the Compliance Unit (a body whose constitution is pending and whose functions are temporarily assumed by the General Secretary) any situations that may involve the existence of conflicts of interest at the earliest opportunity.

ii. For this purpose any situations connected with their activities outside GRUPO PRISA or those of related parties which may imply the existence of interests contradictory to those of GRUPO PRISA, regarding a particular activity, service or operation with financial intermediaries, professional investors, suppliers, customers or competitors must be reported.

iii. Individuals affected by a conflict of interest must abstain from making, intervening in or influencing decisions involving such activities, services or operations.

iv. Transactions between the Company or any of the companies in GRUPO PRISA and any of the persons subject to rules governing conflict of interest must be conducted in accordance with market conditions

(Free translation from the original in Spanish language)

and in compliance with any other regulations the Board of Directors may establish in connection with the foregoing.

3. Furthermore, the Code of Ethics of Grupo PRISA (approved by the Board of Directors in December 2015 and which replaces the Code of Conduct that had been in force since December 2011), which applies to directors, amongst others, underscores the duty to avoid situations that could give rise to conflict between private interests and those of the company and requires that such situations be disclosed to the Company.

D.7 Are more than one of the group companies listed in Spain?

NO

Specify the subsidiary companies that are listed:

Indicate whether the areas of activity they engage in and any business dealings between them, and between the listed subsidiary and other group companies, have been publicly and precisely defined;

Define any business dealings between the parent company and the listed subsidiary, and between the listed subsidiary and other group companies

Identify the mechanisms envisaged for the resolution of potential conflicts of interest between the listed subsidiary and other group companies:

Mechanisms for the resolution of any conflicts of interest

E. CONTROL AND RISK MANAGEMENT SYSTEMS

E.1 Explain the scope of the Risk Management System of the company, including those of a tax nature.

The Risk Management System functions in an integrated way by business unit and the management of it is consolidated at corporate level.

The Group continuously monitors the most significant risks, including tax risks, that could affect the business units. To do so it has a risk map which it uses as a tool for representing the risks inherent in the Group in graphic form, in order to identify and assess the risks that may affect the performance of the activities of the different business units.
--

E.2 Identify the bodies of the company with responsibility for drawing up and implementing the Risk Management System, including tax risks.

The identification of the risks and the operating processes in which each of the risks considered is managed
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(Free translation from the original in Spanish language)

is the responsibility of the general directorates of the business units and the corporate general directorate and is aggregated and homogenized by the Group's Internal Audit Department, which reports the results regularly to the Audit Committee. The respective business unit directorates identify both the people responsible for managing each risk and the associated action plans and controls.

E.3 Indicate the main risks, including tax risks, that may affect achievement of the business goals.

The activities of the subsidiaries of the Group and therefore its operations and results are subject to risks that can be grouped into the following categories:

- Strategic and operational risks.
- Financial risks.

Strategic and operational risks of the business of the Group

Macroeconomic risks-

In 2015, growth rates in Spain and Portugal were positive. After the important slowdown and volatility experienced in recent years, from year-end 2013, a change in this trend was shown and was consolidated in 2014 and 2015. 2016 is also expected to have positive growth rates.

Main consumption indicators in these countries have been significantly deteriorated, and have impacted and still could impact, in case expectations of growth are not attained, in the future spending by customers on the products and services of the Group, including advertisers and other consumers of the content offerings of Prisa.

Furthermore, the activities and investments of Prisa in Latin America are exposed to the evolution of the various macroeconomic parameters of each country including a potential decline in consumption as a result of a slowdown in the growth rate in some of these countries, or recession in economies as Brazil.

The Group's results in Latin America have been hurt by the weakness of the region's currencies. An increase in the volatility of currencies was shown in the second half of 2015.

Maintenance of exchange rates at current levels or even further deterioration could have an adverse effect on operating results and financial condition of the Group.

Decline in advertising markets-

A relevant portion of the operating income (revenues) comes from advertising revenues through the press, radio, audiovisual and digital businesses. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and perspectives.

In case that the Spanish and Portuguese economies failure to improve as expected or growth in Latin America slow down or even decline in some countries, prospective spending by the Group's advertisers could undermine. In view of the grate component of fixed costs associated with business with a high component of advertising revenue (mainly Radio and Press), a drop in advertising revenues directly impacts operating profit and therefore the ability to generate cash flow of the Group.

Drop of circulation-

Press revenues from copy sales and subscriptions continue being negatively affected by the growth of

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alternative means of distribution, including free Internet sites for news and other contents. At the moment, there is no sign of this trend to change.

Competition risk-

The businesses of audiovisual, education, radio and press in which Prisa operates are highly competitive industries. The ability to anticipate and adapt to new needs and customer demands, influences the position of the Group's businesses compared to other competitors.

Sector regulation-

Prisa operates in regulated industries and is therefore exposed to regulatory and administrative risks that could adversely impact its business.

Specifically, the Group businesses are subject to comprehensive regulations including the requirement to maintain concessions and licenses for the operations in Audiovisual and Radio segments, while the business of education is subject to the applicable law on national or regional education cycles.

Country risk-

The Group operations and investments in Latin America may be affected by various risks typical to investments in countries with emerging economies, the most significant of which include devaluation of foreign currencies, introduction of exchange restrictions, inflation, expropriation or nationalization of foreign assets, changes in applicable foreign tax levels, changes in policies and regulations or economic instability.

In the specific case of Education, a relevant part of its revenues in Latam come from public sales to Governments. Sales of the business could be affected as far as macroeconomic parameters worsen or there are changes in educational policies.

Litigation risks-

Prisa is involved in significant litigations, which are described in note 26. Additionally, Prisa is exposed to liabilities for the content of their publications and programs.

Digital activity and safety net systems-

Digital activities depend on internet service providers, online service providers and on systems infrastructure. Significant system failures or security breaches could have an adverse effect on operating results and financial condition of the Group.

Technological risks-

In order to maintain and increase its businesses and competitiveness, Prisa must adapt to technological advances, for which research and development are key factors. Technological changes may facilitate the entry of new competitors and potential market share decrease of the Group.

Financial Risks

Financing risks -

The financial obligations of the Group are described in note 12b "*Financial Liabilities*" of the accompanying notes to the consolidated financial statements of Prisa for 2015.

As is described in that note, in the month of December of 2013 the Group signed a debt refinancing agreement.

In 2014 and 2015, the company paid off a total of EUR 1,610,590 thousand using the proceeds from the sale of Mediaset España, DTS and the increase in capital subscribed by Consorcio Transportista Occher, S.A. de

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C.V. These operations allowed the Group to fulfill in advance commitments of debt reduction included in the refinancing agreement at 31 December 2015, in such a way that the next relevant financial commitment is to fall due in 2018, when Tranche 2 falls due.

According to the contracts governing borrowing conditions and stipulated requirements, Prisa must meet certain commitments and financial leverage ratios (covenants). These contracts also include cross-default disposals.

As of December 31, 2015, the level of the Group bank debt (EUR 2,009 million), imply certain risks:

- increasing the vulnerability to general economic downturns and adverse industry conditions;
- requiring a portion of cash flow from operations to be dedicated to the payment of interest on the indebtedness, therefore reducing the ability to use cash flow to fund short term operations, working capital requirements, capital expenditures and future business operations;
- exposing the Group to the risk of increased interest rates, as a part of the borrowings are at variable rates of interest; and
- limiting the ability to adjust to changing market conditions and placing the Group at a disadvantage compared to competitors who have less debt.

Equity situation of the parent company of the Group-

In June 2014, as a result of the loss of EUR 750,383 thousand recognised by the Parent Company of the Group following the sale of a 56% stake in DTS, equity was negative in the amount of EUR 593,513 thousand, and therefore the Parent Company qualified for dissolution in accordance with Spain's Corporate Enterprises Act.

In order to restore the equity balance, the mechanism foreseen in the refinancing agreement was used to automatically convert part of Tranche 3 of the company's debt into participating loans for a sufficient amount to offset the negative equity and the process to convert debt into the participating loan was carried out on 15 September 2014, in the amount of EUR 506,834 thousand, which brought the Company's equity to two thirds of share capital.

At 31 December 2014, as a result of, among other items, a review of the sale price of DTS and recognition of additional impairment of EUR 23,789 thousand, the equity of the Company with respect to the cause of dissolution and/or reduction of capital stipulated in Spain's Corporate Enterprises Act (including participating loans outstanding at year-end) stood at EUR 31,554 thousand.

In a bid to restore the equity balance, the automatic mechanism was again deployed to convert Tranche 3 of company debt into participating loans in a sufficient amount to offset the equity imbalance at the conversion date. Consequently, at 20 April 2015, an additional amount of EUR 19,750 thousands of Tranche 3 was converted into participative loan, once operations aiming at minimizing that amount were considered.

At 31 December 2015 the equity of the Company with this respect stood at EUR 166,886 thousand, which were over two thirds of share capital.

Additional losses to be registered by the Parent Company could result again in an equity imbalance situation.

Sale of DTS-

As described in the accompanying explanatory notes, at April 30, 2015, Prisa executed with Telefónica de Contenidos, S.A.U. the sale and purchase agreement of the 56% shares of DTS.

Prisa has registered the sale of DTS for an amount of 724,554 thousand euros. At the date of preparation of these consolidated financial statements, an adjustment pending of resolution by an independent third party could reduce DTS sale price by EUR 29,173 thousand. Therefore, depending of the final resolution of this

adjustment, the final result of the sale agreement could be modified.

Liquidity Risk-

The adverse macroeconomic situation, with significant drops in advertising, circulation is having a negative impact on the ability of the Group's cash generation in the last years, mainly in Spain. The advertising-dependent businesses have a high percentage of fixed costs and drop in advertising revenue significantly impact on margins and cash position, hindering the implementation of additional measures to improve the operational efficiency of the Group.

The Group thoroughly analyzes receivables and payments of its activities and maturity of financial and commercial debt. In relation with the commercial credit risk, the Group evaluates the aging of the debt and constantly manages receivables.

Additionally, the group analyzes on a recurrent basis other financing sources to cover short and medium term liquidity needs. However, as of December 31, 2015, the Group still maintains a bank debt level of EUR 2,009 million.

Minority interests -

There are significant minority interests in some cash generating companies, to highlight education and radio. Santillana is required to pay to its minority interests (25% of its share capital) a predetermined fixed preferred dividend.

Interest rates risk exposure-

Approximately 57.63% of its bank borrowings terms are at variable interest rates, and therefore the Group is exposed to fluctuations in interest rates. Interest rate hedges expired at December 31, 2015 and the Group did not arrange new hedges.

Fluctuations in foreign exchange rates-

The Group is exposed to fluctuations in the exchange rates mainly in the financial investments in Latin American subsidiaries, and for the revenues and results from those investments.

In order to mitigate this risk, as far as there are available credit facilities, the Group arranges hedges to cover the risk of changes in exchange rates (mainly foreign currency hedges and forwards) on the basis of projections and budgets which are reviewed on a monthly basis, in order to reduce volatility in cash flows transferred to the Parent from foreign subsidiaries.

Tax risks-

Tax risks of the Group are related to a possible different interpretation of the rules that could make the competent tax authorities, as far as this situation occurred in the past.

Directors consider probable the recoverability of the tax assets within the legal deadline, although there is a risk that the ability to generate taxable income would not be sufficient to allow the recoverability of the tax credits arising from carry forward of tax losses, the limitation of the deductibility of interest and depreciation expenses and tax deductions.

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

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Prisa has defined the tolerable error in respect of risks associated with the financial information. By reference to this tolerance level the company identifies the significant processes and accounts in the system for controlling the financial information.

As far as other risks are concerned, the impact and probability of them occurring is assessed in order to determine their relative position on the risk maps of the Group and the business units. This assessment is carried out by the Group's senior management.

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

In the 2015 financial year Prisa's activities and investments in Latin American were affected by the slowing down of the growth rate in some countries, as well as by the volatility in exchange rates. The Group's results in Latin America were negatively affected by the weakness of exchange rates in the region (principally in Brazil and Venezuela). The negative impact of the exchange rate trend on the Group's income amounted to 38.8 million euros in the 2015 financial year.

E.6 Explain the response and supervision plans for the entity's main risks, including tax risks.

The Group continuously monitors its investments and carries out an impairment test on them at least annually or, if appropriate, when there are signs of impairment.

In terms of exchange rate risk, to the extent that it has credit lines available, the Group adopts the practice of entering into currency hedges, forwards and options, based on its monthly forecasts and budgets. The main aim of this is to reduce cash flow volatility in the subsidiaries operating abroad.

F. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN CONNECTION WITH THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms making up the control and risk management systems in connection with the financial reporting process (ICoFR) of your entity.

F.1 Entity control environment

Indicate the following, detailing at least their main features:

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

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

The Board of Directors of Prisa, among other functions, as set out in Article 5.2 of Board Regulations, are responsible for the definition of the policy of control and risk management (included those related to the tax regulation) and for the monitoring of internal information and control systems. Also, in accordance with the provisions of the mentioned article of the Board Regulations, the financial information, that Prisa, as listed company, had the obligation to periodically make public, must be approved by the Board of Directors. In this regard, the Board of Directors is assisted, for the development of these functions, by the Audit Committee of Prisa. Among the basic responsibilities of the Audit Committee, as defined in the Board Regulations, are the monitoring of the effectiveness of Group's internal control and risk management systems, and the preparation and presentation of the regulated financial information, in particular the Financial Statements that the Board must provide quarterly and annually to the markets and their supervisory bodies.

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

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

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

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

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

In addition, the Direction of Organization and Human Resources coordinates and monitors the internal procedures of the Group companies, and its degree of documentation, updating and circulation.

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

The Code of Conduct of the Group, approved in fiscal year 2011 by the Board of Directors, and effective to December 2015, established the general guidelines that should govern the conduct of Prisa and all Group employees in the performance of their duties and in their commercial and professional relationships, acting in accordance with each country laws, and respectfully towards the commonly recognized ethical principles.

In December 2015 the PRISA Board of Directors approved a new Code of Conduct, henceforth called the Code of Ethics, setting out the principles and standards of conduct that should govern the companies in Grupo

PRISA and all their employees, aimed at ensuring ethical and responsible behavior in the pursuit of their activities.

The PRISA Compliance Office reports functionally and administratively to the Audit Committee and is the body charged with safeguarding and promoting ethical behavior of employees, associates and members of Grupo PRISA, and, therefore, amongst other functions, with overseeing their compliance with the Code of Ethics.

The Compliance Office must report incidents relating to the Code of Ethics to the Corporate Governance Committee so that the latter can examine compliance with the Group's rules of governance.

The Compliance Office promotes internal communication with officers and employees to ensure they know the compliance policy and obligations in this respect and organizes refresher courses for them on compliance matters.

The Code of Ethics approved in December 2015, the same as the one in force previously, has been communicated and disseminated to all employees of the Group to whom it applies. Also, the PRISA Communication Department has implemented an internal and external communication plan for the Code, supervised by the PRISA Compliance Office, and the associated training plan.

The Code of Ethics is posted on the corporate website (www.prisa.com) and in Grupo PRISA's global intranet (Toyoutome).

The Code of Ethics sets out a series of standards of conduct based on the following principles:

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

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

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

•Whistle-blowing channel for communicating irregularities of a financial and accounting nature to the Audit Committee, as well as any failures to comply with the code of conduct and irregular activities in the organization, indicating whether it is confidential in nature.

The Group has a Whistle-blowing mailbox for the reception and treatment of complaints regarding wrongdoings or breaches related to both, internal and external regulations, in matters affecting the Group, its employees or its activities. In fiscal year 2015 the nature of the complaints this channel was designed for has been widened, in comparison to the original, which was exclusively referred to accounting and internal control matters, to the current one described above.

This is a confidential and anonymous communication channel available to any employee in the Group intranet or alternatively through a post office box laid out for this purpose. The received complaints are currently managed by Prisa Compliance Unit, who reports them to the Audit Committee. Additionally, there is a confidential Whistle-blowing mailbox for third parties related to the Group and accessible through corporate website www.prisa.com.

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

The Group employees with new ICoFR coordination or execution responsibilities formally assigned during the fiscal year, around 45 people, have received a training course on internal control including the description of the Group ICoFR model.

Additionally, the personnel with financial reporting responsibilities in the business units and main Group companies are regularly kept informed through newsletters regarding accounting standard developments.

F.2 Assessment of financial reporting risks

Inform at least on the following:

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

•Whether the process exists and is documented.

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

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

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

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

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

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

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

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

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

Risk assessment process takes into account the risk profile of each business unit, which is determined by their contribution to the consolidated financial statements, and assessing the specific risks, among other factors, the nature of their activities, centralization or decentralization of operations, specific industry and environmental risks, to the extent they may have potential impact in financial statements.

•Which governing body of the entity supervises the process.

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

F.3 Control activities

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

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

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

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

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

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

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

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

In relation to subcontracted activities, the main outsourced activity in the Group is information technologies service, entrusted to Indra. The Group has established a model of government based on regularly holding several meetings and committees in order to monitor the outsourced services. In particular, weekly service and demand operating sessions, attended by IT Directors of business units and service responsible Indra managers, provide of monitoring and control of incidents and requests. Fortnightly, the Group have service operative Committees attended by supervisors of Group transversal systems where new applications and infrastructures and new projects planning are reviewed. On a monthly basis is held the Global Service Committee where the quality, volume and nature of the services rendered during the month are reviewed and compared to the services of previous month. Also, service level agreements are monitored monthly.

F.4 Information and communication

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

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

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

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

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

F.5 Supervision of system effectiveness

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

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

As part of the monitoring activities on the internal control system carried out by the Audit Committee, in accordance to current Regulation, the following are included in connection with the preparation and publishing of the financial information:

- i. Monitor the effectiveness of the Company's internal control, and risk management system, included those related to tax regulation, and discuss with the external auditor the significant weaknesses in internal control system identified during the course of the audit.
- ii. Monitor the process of preparation and presentation of the perceptive financial information.
- iii. Inform in advance to the Board of Directors regarding all the subjects defined in the law, the corporate statutes and the Board Regulations, and in particular about:
 - a. The financial information that the entity must periodically publish
 - b. The creation or acquisition of shares on special purpose vehicles or companies registered in countries or territories considered as tax haven.
 - c. Related parties operations

The Group has an internal audit unit, which supports the Group Audit Committee in monitoring internal control system over financial reporting. The Internal Audit Direction depends functionally on the Audit Committee and hierarchically on the Chairman of the Group.

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The main objective of internal audit is to provide the Group management and the Audit Committee with reasonable assurance on the environment and internal control systems operating within the Group companies having been properly designed and managed. For this purpose, internal audit reviews the design and scope of the Group's internal control system over financial reporting, and subsequently carries out the evaluation of the design and effectiveness of the control activities defined in the model. Annually the functioning of the general controls of the Group as well as controls related to the information systems and the key control activities in the ICoFR are tested.

For each of the identified weaknesses, an estimation is done on the economic impact and probability of occurrence, classifying them according to this estimation. Also, for all the identified weaknesses a plan of action is defined in order to correct or mitigate the risk, including a responsible for the management and an implementation schedule.

The Internal Audit Direction reports annually to the Audit Committee on the results of the evaluation of the ICoFR and regularly informs on the evolution of the established action plans.

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

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

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

F.6 Other relevant information

None

F.7 External auditor's report

Provide information on:

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

The system of internal control over financial reporting is audited by the statutory auditor of the Group that gives opinion on the effectiveness of internal control within a specific report.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS.

Indicate the company's degree of compliance with the recommendations of the Unified Code of Corporate Governance.

If any recommendations are not followed or are only followed in part, a detailed explanation must be provided as to why that is the case so that shareholders, investors and the market in general has sufficient information to be able to assess the conduct of the company. General explanations will not be acceptable.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Compliant

2. When a dominant and a subsidiary company are both listed, they two should provide detailed disclosure on:

a) The activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.

b) The mechanisms in place to resolve possible conflicts of interest.

Does not apply

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

a) Changes taking place since the previous annual general meeting.

b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Compliant

4. The company should draw up and implement a policy of communication and contacts with

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shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Compliant

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Explain:

At the annual general meeting of shareholders held in April 2015 it was resolved to authorize the Board to carry out one or more increases in the share capital by up to a maximum of half the share capital, and issue bonds, including straight bonds or bonds convertible into new shares and/or exchangeable for outstanding shares of the Company and other companies, warrants, commercial paper and preferred securities, including the authority to disapply pre-emption rights.

As noted in the reports the Board of Directors drew up explaining said proposed resolutions, the funding volume that Prisa needs to carry out investments and/or go through with the current process of restructuring its liabilities requires being able to access as many funding sources as are available in the market, using at all times the ones that are best suited to the Company. Recourse to debt markets is on occasion subject to temporary limitations arising from economic policy measures that at given times may curb or halt growth in monetary and credit variables and from the evolution of financial markets. For this reason, it is also advisable for Prisa to have open, via its Board of Directors, the possibility of carrying out capital increases when market conditions make such operations advisable.

The dynamics of all business corporations, especially large ones, require that their management and governing bodies can at all times make use of the most suitable instruments to adequately meet the needs of the Company in each specific case, in view of the market circumstances. Those circumstances can include the possibility of injecting funds into the company in the form of capital contributions.

In addition, as allowed under the Corporations Law, the Board was also given powers to exclude the pre-emption right in share issues carried out under the aforesaid authorizations, where the Company's interests so warrant. The Board of Directors believes that this additional possibility, which notably widens the capacity and freedom of action that is afforded by the simple delegation of powers to increase the share capital, is justified by the flexibility and agility commonly needed when acting in today's financial markets to be able to take advantage of moments when market conditions are more favourable. In addition, exclusion of the pre-emption right usually allows a reduction of the costs associated with the operation (including, most especially, the fees charged by the financial institutions that take part in the issue) in comparison with an issue subject to pre-emption rights, and at the same time causes less distortion in the stock's trading during the issue period, which is usually shorter than in an issue with pre-emption rights. Exclusion of those rights may also be necessary when seeking to raise funds in international markets or using bookbuilding techniques.

This was borne out in 2014 when the Company used an authorization approved by the 2013 annual general

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meeting to raise funds on very favourable conditions given the state of financial markets at that time and to consequently reduce its debt, improve its financial gearing ratio and better comply with its refinancing plan. It is difficult to ascertain whether that funding could have been obtained if the Company did not have that authorization.

Furthermore, the authorization granted by the 2015 general meeting was also used by the Board of Directors to approve a capital increase in November 2015.

Notwithstanding the foregoing, the exclusion of preferential subscription rights, in whole or in part, is only a faculty that the General Meeting grants the Board and the exercise of which depend on whether the Board of Directors so decides when deemed appropriate in the best interests of the Company, regarding the circumstances existing in each case and in compliance with the legal requirements.

With respect to the second part of this recommendation, the Company has published the reports explaining the exclusion of the pre-emption rights at the time there was called the Ordinary Shareholders Meeting to which the related proposed resolutions were to be submitted. Afterwards, in relation to the capital increase carried out in 2014, the rest of the reports envisaged in the Corporations Law were made available to the shareholders and communicated at the first General Meeting held after the resolution on the increase (the April 2015 meeting), and the same will be done when the 2016 Ordinary Shareholders Meeting is called with respect to the reports on the capital increase carried out in November 2015.

In any event, the Board of Directors has made prudent use of the aforementioned delegation, acting in the Company's interests at all times and applying significant issue premiums to the quoted price of the shares at the time of their subscription.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

a) Report on auditor independence.

b) Reviews of the operation of the audit committee and the nomination and remuneration committee.

c) Audit committee report on third-party transactions.

d) Report on corporate social responsibility policy.

Partially compliant:

The Company, when calling the annual general meetings of previous years, and particularly the General Meeting of 2015, posted on its website the reports on the activities of all of its Committees (Audit, Appointments and Compensation, Corporate Governance, and Strategic Digital Change). And on the day of the general meeting the Company also makes the Annual Report on Corporate Social Responsibility available to the shareholders and posts it on the corporate website.

With regards to the reports on auditor independence and on related-party transactions, although were not published last years, as this was not legally required, the Company has provided information on this matters to the market, reporting on the auditor's independence in the annual report on the activities of the Audit Committee and also reporting on related-party transactions in its financial reporting and in the annual corporate governance report, which is also posted on the website.

7. The company should broadcast its general meetings live on the corporate website.

(Free translation from the original in Spanish language)

Explain:

Live broadcast of general meetings, although is provided as a possibility in Article 13.2 of the Board of Directors Regulation, is not legally required and, moreover, is expensive. During the general meetings the Company makes disclosures to the markets, in the form of reports of material events to the CNMV with the talks given at the general meeting by the Chairman and the Chief Executive Officer. Also, after voting is completed, the Company immediately makes public all of the resolutions approved, so that shareholders and the general public have been kept up to date practically in real time.

Nevertheless, the Company intends to broadcast its upcoming general meetings live and thus comply with this recommendation.

8. The audit committee should strive to ensure that the board of directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

Compliant

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Compliant

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.**
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.**
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.**
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.**

Does not apply

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Does not apply

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

Compliant

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Compliant

14. The board of directors should approve a director selection policy that:

- a) Is concrete and verifiable;**
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs.**
- c) Favours a diversity of knowledge, experience and gender.**

The results of the prior analysis of board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The nomination committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Compliant

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Compliant

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

- a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.**
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.**

Compliant

17. Independent directors should be at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent directors should occupy, at least, a third of board places.

Compliant

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

- a) Background and professional experience.**
- b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.**
- c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.**
- d) Dates of their first appointment as a board member and subsequent re-elections.**
- e) Shares held in the company, and any options on the same.**

Partially compliant

The website of the Company expressly includes information on professional and biographical profile of the directors and the category they belong to, other boards of directors to which they belong as well as the shares of the Company and share options that they hold, through a direct link to the section on significant holdings of PRISA on the website of the CNMV.

It is noted, however, that the corporate website is currently being overhauled and not all information on paid activities of the Directors, the shareholder they represent or with whom the proprietary directors have links, or the date of first appointment and subsequent reappointment as a director of the Company, are made public yet.

Also, the information referred in this recommendation is contained in the annual corporate governance report, under the terms required by the regulations, and in the notes to the annual financial statements, which are posted on the corporate website.

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Does not apply

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Compliant

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Compliant

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the offences stated in company legislation, the board of directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to

resign. The board should give a reasoned account of all such determinations in the annual corporate governance report.

Compliant

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Compliant

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the annual corporate governance report.

Compliant

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should lay down the maximum number of company boards on which directors can serve.

Compliant

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Explain:

(Free translation from the original in Spanish language)

In accordance with Law, the Board of Directors Regulation provides that the Board must meet at least once per quarter. During 2015 the Board met 6 times and the circumstances did not require a larger number of meetings. The Company also has a Delegated Committee that met 5 times during the year.

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Partially compliant

Directors try to personally attend the meetings and, preferentially, in person. However, if the attendance is impossible, the Director grants a proxy to another director. In this sense, the representations of the directors not always give concrete instructions, so that the representative can vote in accordance with the conclusions drawn from the debate that take place in the Board.

Notwithstanding the foregoing, the Company will bear this recommendation in mind and ensure that henceforth directors who do not attend board meetings will delegate their representation with the appropriate instructions in the appropriate terms.

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Compliant

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Compliant

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Compliant

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for

(Free translation from the original in Spanish language)

board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Compliant

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Compliant

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Compliant

34. When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

Partially compliant

The Company has amended the Board of Directors Regulation to expressly grant the lead independent director: i) all of the powers envisaged in the Corporations Law and ii) the powers envisaged in this recommendation except for the one to "maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns", as this power has been allocated to the Investor Relations Department and the Shareholder Office of the Company, responsible for handling inquiries and questions from shareholders and institutional investors of the Company (provided that the corporate interests prevail and respecting the law and the rules of corporate governance of the Company), as stated in the Policy of Communication and contacts with shareholders, institutional investors and proxy advisors approved by the Board of Directors of the Company on 18 December 2015 and published on the corporate website.

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of
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relevance to the company.

Compliant

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the board's operation.**
- b) The performance and membership of its committees.**
- c) The diversity of board membership and competences.**
- d) The performance of the chairman of the board of directors and the company's chief executive.**
- e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.**

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Partially compliant:

The Board of Directors carries out the evaluation required under this recommendation, except for the evaluation of performance and contribution of each director, as it is considered sufficient a global assessment of the Board as a body

In addition, the Company has a Corporate Governance Committee that is the body with powers to prepare a report for the evaluation of the Board and its Committees.

37. When an executive committee exists, its membership mix by director class should resemble that of the board. The secretary of the board should also act as secretary to the executive committee.

Partially compliant:

The Secretary of the Board of Directors also acts as secretary to the Delegated Committee.

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The composition of the Delegated Committee, however, does not resemble that of the Board of Directors:

- i) In the Delegated Committee there is a predominance of executive directors (3 of the members) and, in addition, there is 1 proprietary director and 2 independents.
- ii) The Board of Directors is composed of 3 executive directors, 5 proprietary directors, 6 independent directors and by one external director.

The Company has been of the opinion that this composition of the Delegated Committee was appropriate and operationally effective in accordance with the needs of the Company and the functions of the Delegated Commission.

Nevertheless, given that i) in November 2015 the term of office of several PRISA directors ended whose office will, according to Article 222 of the LSC, will lapse when the next annual general meeting is held; and ii) the Company's shareholder composition underwent significant change December 2015 that have also been reflected in the composition of the Board of Directors, the Company will take this recommendation into account when it addresses the upcoming restructuring of the Board of Directors.

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Compliant

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.

Compliant

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Compliant

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Compliant

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior

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officer.

Compliant

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Compliant

45. Risk control and management policy should identify at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.**
- b) The determination of the risk level the company sees as acceptable.**
 - c) The measures in place to mitigate the impact of identified risk events should they occur.**
- d) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.**

Compliant

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.**
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.**
- c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.**

Compliant

47. Appointees to the nomination and remuneration committee – or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Partially compliant:

The Nominations and Compensation Committee is composed of 2 independent directors and 2 proprietary directors, as membership of proprietary directors on this committee is considered essential. Nevertheless, all members of this committee, regardless of their category, have the right balance of knowledge, skills and experience for the functions they are called on to discharge.

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Does not apply

49. The nomination committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Compliant

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior officer contracts.**
- b) Monitor compliance with the remuneration policy set by the company.**
- c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.**
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.**
- e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.**

Compliant

(Free translation from the original in Spanish language)

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior officers.

Compliant

52. The terms of reference of supervision and control committees should be set out in the board of directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be minuted and a copy made available to all board members.

Partially compliant

The rules set out in paragraphs b), d) e) are fully included in the Board of Directors Regulation of the Company. The Regulation also expressly stated that the Chairmen of the Committees must provide report-backs on their activities and work at the first board plenary following each committee meeting.

Furthermore, it is expressly stated that the Committees are exclusively composed of non-executive directors (except in relation to Technological Transformation Committee).

It is not explicitly stated in the Regulation, however, that these committees should be formed by a majority of independent directors (even if that it is a fact in the Corporate Governance Committee), or that the board appoint the members of these committees taking into knowledge, skills and experience of the directors and the duties of each committee, and discusses its proposals and reports, although this is done in practice.

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-

(Free translation from the original in Spanish language)

organisation, with at the least the following functions:

- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.**
- b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.**
- c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.**
- d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.**
- e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.**
- f) Monitor and evaluate the company's interaction with its stakeholder groups.**
- g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.**
- h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.**

Compliant

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

- a) The goals of its corporate social responsibility policy and the support instruments to be deployed.**
- b) The corporate strategy with regard to sustainability, the environment and social issues.**
- c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.**
- d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.**

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- e) **The mechanisms for supervising non-financial risk, ethics and business conduct.**
- f) **Channels for stakeholder communication, participation and dialogue.**
- g) **Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.**

Compliant

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Compliant

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Compliant

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Compliant

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

(Free translation from the original in Spanish language)

- a) **Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.**
- b) **Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.**
- c) **Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.**

Compliant

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Explain

The Long Term Incentive Plan (ILP) was passed at the Shareholders' Meeting of 2014 and its Regulation don't includes this deferred payment. However the Company will consider this recommendation in the next long-term compensation systems that, where appropriate, approves.

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Compliant

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Compliant

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Compliant

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Compliant

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Compliant

H. OTHER INFORMATION OF INTEREST

1. If there is any material aspect of corporate governance within the company or the group entities that is not covered by the other sections of this report but which needs to be included in order to give a more complete and reasoned picture of the governance structure and practices within the company or its group, provide brief details of it.

2. Any other information, clarification or matter connected with the previous sections of this report may be included under this section to the extent that it is relevant and not a repetition.

Specifically, indicate whether the company is subject to legislation that differs from the Spanish legislation when it comes to corporate governance and, if so, include the information that has to be supplied and that is different from the information required in this report.

3. The company may also indicate whether it has voluntarily adopted other codes of conduct or good practice, be they international, sector-related or of some other kind. If it has, the code in question and the date on which it was adopted should be identified.

-With regard to **Section A.1** of this report it should be underscored that:

i) Both the share capital and the number of shares of the Company have been amended in 2015, on the occasion of the following transactions:

a) Share capital reduction

The share capital has been reduced by EUR 1.30, from the amount of EUR 215,807,875.30 to EUR 215,807,874, by redeeming 13 treasury shares with a par value of EUR 0.10, the proceeds of which contributed to the statutory reserve, in order to implement the resolutions adopted by the Annual General Meeting held on April 20, 2015 and to enable the grouping of shares and reverse split passed at the same Meeting.

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b) Grouping and exchange of shares or reverse split

The 2,158,078,740 shares in which the share capital was divided further to the aforementioned reduction were grouped, cancelled and exchanged for 71,935,958 newly issued shares in the proportion of one new share for 30 old shares. The par value of the shares is increased from EUR 0.10 to EUR 3.00, without this entailing a change in the share capital, which remains at EUR 215,807,874 and the number of outstanding shares was reduced. The exchange of shares took effect from May 22, 2015.

c) Change of denomination of the shares

As consequence of the amendment of the Bylaws, also approved at the Annual General Meeting held on April 20, 2015, the share capital of the Company is represented by ordinary shares, all belonging to the same class and series, having disappeared all references to the Class A shares.

d) Capital increase subscribed by shareholder International Media Group, S.à.r.l.:

By virtue of the delegation of authority to the Board of Directors to increase capital, granted by the Ordinary General Shareholders' Meeting held on April 20, 2015, in a meeting held on 14 November 2015 Prisa's Board of Directors approved a capital increase for a total amount (nominal value plus the share premium) of Euro 64,000,000.00, at an issue price per share of Euro 10.00 and excluding the existing shareholders' preferential subscription rights, which was subscribed by shareholder International Media Group, S.à.r.l. ("International Media Group") and paid up in full by a monetary contribution at the time of the subscription.

The capital increase was effected by the issue and allotment of ordinary shares, having obtained the mandatory report prepared by the auditor appointed by the Commercial Registry of Madrid confirming that the issue price is appropriate in the terms provided in the Spanish Capital Companies Act.

e) Exercise of Warrants 2013:

Finally it is noted that during 2015 Warrants 2013 have not been exercise by its owners.

ii) The composition of PRISA's share capital at December 31, 2015 is set out in section A.1 of this Report.

iii) The indicated date of amendment (23/12/2015) is the date of inscription in the Commercial Registry of the last deed modifying capital during the 2015 financial year.

- With regard to **Section A.2** of this report it should be underscored that:

i) The reported significant holdings are those that as per December 31, 2015 had been disclosed by their holders to the CNMV. However since some shareholders have not updated in the CNMV the number of voting rights that they hold after the grouping and exchange of shares or reverse split, in order to fill in tables in section A.2 of this report the Company has calculated the estimate number of the voting rights that correspond to such shareholders (Nicolas Berggruen, Banco Santander, S.A, Fundación Bancaria Caixa D'Estalvis I Pensions de Barcelona/ Caixabank, S.A, HSBC Holdings PLC, Grupo Herradura de Occidente, S.A. de CV/ Consorcio Transportista Occher, S.A. de C.V.), dividing by 30 the number of old shares they declared.

ii) The indirect holding declared by Rucandio, S.A. to the CNMV (13,729,811 voting rights) is held through the entities identified in section A.2 (Promotora de Publicaciones, S.L., Timón, S.A., Asgard Inversiones, S.A., Rucandio Inversiones SICAV and Otnas Inversiones, S.L), with a total of 6,872,607 voting rights and, in addition, through 6,857,204 voting rights of the Company bound by the Prisa Shareholders' Agreement signed on April 24, 2014 (in which Rucandio indirectly holds a majority of the voting rights), as described in section A.6 of this Report. The aforesaid 6,857,204 voting rights bound by the Prisa Shareholders' Agreement include 6,140,576 voting rights of Grupo Herradura de Occidente, S.A. de CV.

iii) As reported to the Spanish Securities & Exchange Commission (CNMV), the holder of the indirect interest of Grupo Herradura de Occidente, S.A. de CV (188,912,295 old voting rights, which are equivalent to 6,297,076 voting rights after the reverse split, according to the Company's calculations) is held through Consorcio Transportista Occher, S.A. de C.V. Part of those voting rights (184,217,295 old voting rights, equivalent to 6,140,576 voting rights after the reverse split) are linked to Prisa Shareholders Agreement and the rest (156,500 voting rights) are not included in the aforesaid syndicate of shareholders.

iv) The voting rights held by International Media Group, SARL have been declared to the CNMV by D. Khalid Bin Thani Bin Abdullah Al-Thani, proprietary director of the Company (external director representing significant shareholdings), as an indirect stake.

International Media Group, S.A.R.L. is 100% owned by International Media Group Limited which in turn is 100% owned by Khalid Bin Thani Bin Abdullah Al-Thani.

v) As reported to the Spanish Securities & Exchange Commission (CNMV), the owner of the indirect holding declared by Nicolas Berggruen is the company BH Stores IV, B.V.

BH Stores IV, B.V. is a subsidiary of Berggruen Holdings LTD, a 100% subsidiary of Nicolas Berggruen Charitable Trust. The ultimate beneficiary of the shares of BH Stores IV, B.V. is Nicolas Berggruen Charitable Trust. Mr. Nicolás Berggruen is a member of the Board of Directors of Berggruen Holdings.

vi) Banco Santander, S.A. has reported to the Spanish Securities & Exchange Commission (CNMV) that its indirect holding is exercised through the following companies in the Santander Group: Cántabra de Inversiones, S.A., Cántabro Catalana de Inversiones, S.A., Fomento e Inversiones, S.A., Títulos de Renta Fija, S.A., Carpe Diem Salud, S.L. and Suleyado 2003, S.L.

vii) Telefónica, SA, pursuant to the transitory provision four of Royal Decree 878/2015 of 2 October and the entry into force of the new Article 28 bis of Royal Decree 1362/2007, has also communicated to the CNMV the holding of financial instruments linked to shares of PRISA, subject to net settlement in cash (i.e 6,267,600 voting rights linked to the shares used as a reference for these instruments).

viii) The most significant changes in the shareholding structure during the financial year are those declared by the owners of the shares to the CNMV at December 31, 2015.

- With regard to **Section A.3** of this report it should be underscored that:

i) Mr. Joseph Oughourlian, external director representing significant shareholdings, has stated to the Company: i) that the structure of his indirect stake in the share capital of the Company is as declared in the tables of Section A.3 and ii) that he controls, per article 5 of the Consolidated Text of the Spanish Stock Exchange Act:

- Amber Capital UK, LLP, which acts as investment manager to Amber Active Investors Limited, Amber Global Opportunities Limited and Amber Select Opportunities Limited.
- Amber Capital LP, which acts as investment manager to Succinite XI Holdings II SARL.

ii) The 13 voting rights declared by Mrs. Arianna Huffington and the 133 voting rights declared by Mr John Paton, are represented by way of 13 and 133 ADR's representing ordinary shares of PRISA, respectively.

iii) Given that the indirect holding declared by directors Juan Luis Cebrián Echarri, Manuel Polanco Moreno, Gregorio Marañón, Borja Perez Arauna and Agnes Noguera Borel does not represent 3% of the voting rights of the Company, the direct holder need not be identified, according to the terms of the Instructions for Completing the Annual Corporate Governance Report approved by CNMV Circular 7/2015.

- With regard to **Section A5** of this report, see section D.2 of this report regarding related party transactions.

-With regard to **Section A.6** of this report it should be underscored that:

(Free translation from the original in Spanish language)

i) The information regarding shareholders agreements was declared to the CNMV in material disclosures no 155,690 and 155,942, dated December 23 and December 30, 2011, respectively, in material disclosure no 157,599 dated February 7, 2012, in material disclosures no 193,575 dated October 7, 2013, and in material disclosures no 201041, no 204178 and no 211007, dated February 27, April 28, and September 22, 2014.

ii) Agreement of shareholders of (PRISA):

On 24 April 2014 a shareholders agreement was signed by Timón, S.A., Promotora de Publicaciones, S.L., Asgard Inversiones, S.L.U, Otnas Inversiones, S.L. (all direct or indirect subsidiaries of Rucandio, S.A.) and the shareholder CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV (subsidiary of Grupo Herradura Occidente, S.A. de CV) together with other shareholders, individuals and legal entities, of PRISA, for the purpose of: i) syndicating the vote of certain shares held by these shareholders and determining certain commitments of permanence as shareholders of the Company and ii) regulating the conduct of syndicated shareholders, so that it is concerted and unified, thus ensuring a common, stable voting policy in the Company

iii) Shareholder Agreement in Promotora de Publicaciones, S.L.:

The shareholders agreement was signed on May 21, 1992 and in a notarial document certified by Madrid Notary Public Mr. Jose Aristonico Sanchez, Timon S.A. and a group of shareholders of Promotora de Informaciones, S.A. entered into an agreement to govern the contribution of their shares in that company to Promotora de Publicaciones, S.L. (hereinafter, “Propu”) and their participation therein. Basically, the undertakings set forth in that agreement are as follows: a) each majority shareholder shall have at least one representative on the Board of Directors of Prisa and, to the extent possible, the governing body of Propu shall have the same composition as Prisa’s; b) Propu shares to be voted at Prisa’s General Shareholders Meetings will be previously determined by the majority members. Propu members who are likewise members of Prisa’s Board of Directors shall vote in the same manner, following instructions from the majority shareholders; c) in the event that Timon, S.A. sells its holdings in Propu, the remaining majority shareholders shall have the right to sell their holdings in Propu on the same terms to the same buyer, to the extent that the foregoing is possible.

iv) Shareholder Agreement in Rucandio, S.A.:

On December 23, 2003 in a private document Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno—deceased- (whose children have succeeded to her position in this agreement), Mr. Manuel Polanco Moreno, Ms. M^a Jesús Polanco Moreno and their now deceased father Mr. Jesús de Polanco Gutiérrez and mother Ms. Isabel Moreno Puncel signed a Family Protocol, to which a Shareholder Syndicate Agreement was annexed concerning shares in Rucandio, S.A. and whose object is to preclude the entry of third parties outside the Polanco Family in Rucandio, S.A. in the following terms: (i) the syndicated shareholders and directors must meet prior to any shareholder or board meeting to determine how they will vote their syndicated shares, and are obliged to vote together at shareholder meetings in the manner determined by the syndicated shareholders; (ii) if an express agreement is not achieved among the syndicated shareholders with respect to any of the proposals made at a shareholder meeting, it will be understood that sufficient agreement does not exist to bind the syndicate and, in consequence, each syndicated shareholder may freely cast his vote; (iii) members of the syndicate are obliged to attend syndicate meetings personally or to grant proxy to a person determined by the syndicate, unless the syndicate expressly agrees otherwise, and to vote in accordance with the instructions determined by the syndicate, as well as to refrain from exercising any rights individually unless they have been previously discussed and agreed at a meeting of the syndicate.; (iv) members of the syndicate are precluded from transferring or otherwise disposing of shares in Rucandio, S.A until 10 years following the death of Mr. Jesús de Polanco Gutiérrez, requiring in any case the consensus of all shareholders for any type of transfer to a third party. An exception to the aforementioned term can be made upon the unanimous agreement of the shareholders. This limitation likewise applied specifically to the shares that Rucandio, S.A. holds directly or indirectly in Promotora de Informaciones, S.A.

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

-With regard to **Section A.9.bis** of this report it should be underscored that floating capital has been estimated following the instructions of CNMV Circular 7/2015, that is, not taking into account the part of the share capital in the hands of significant shareholders (section A.2 of the report), or the voting rights of members of

the Board of Directors (section A.3 of the report), or treasury stock (section A.8 of the report), and avoiding overlap between the voting rights of significant shareholders and of directors.

-With regard to **Section B.4** of this report it is noted that the percentage of electronic voting in the shareholders' meeting of April 28, 2014 was 0.002% and in the shareholders' meeting of April 20, 2015 was 0.004%. These data are not recorded in the table, because the CNMV's templates only allows inserting figures with two decimals.

-With regard to **Section C.1.2** of this report it should be underscored that: i) Appointment of Mr. Juan Luis Cebrian Echarri as Chairman of the Board of Directors was approved on 20 July 2012; ii) appointment of Mr. Manuel Polanco Moreno as Deputy Chairman was approved on 20 July 2012 and iii) appointment of Mr Jose Luis Sainz as Chief Executive Officer was as of October 1, 2014.

- With regard to **Section C.1.3** of this report it should be underscored that Mr. .Manuel Polanco is an external director representing significant shareholdings having been appointed by Timón, S.A and, likewise, is an executive director.

-With regard to **Section C.1.10** of this report it should be underscored that:

Mr. Juan Luis Cebrián Echarri and Mr. Jose Luis Sainz Díaz, to whom all the powers of the Board are delegated, save for those powers that by law cannot be delegated, are the Company's Executive Chairman and Chief Executive Officer respectively.

However, in accordance with the provisions of the Board of Directors Regulation, the two executives have different functions in order to ensure an adequate balance of power and to lessen any risk of a concentration of powers in a single person.

Thus the Chairman is responsible for organising the Board, reporting to the Board on the fulfilment of the objectives set by it, promoting good governance within the Company, the monitoring and definition of the corporate strategy, the organisation and general governance of the Company and the top-level inspection of the Company.

For his part, the Chief Executive Officer is the main collaborator of the Executive Chairman and is the person responsible for the ordinary management of the business, tasked with executing the strategy on a day-to-day basis and heading up the Business Units.

The Executive Chairman deals with the Chief Executive Officer and, where he considers it appropriate, with senior management, in order to report on how the business is doing.

For his part the Chief Executive Officer presides over a committee made up of the main executives from the Corporate Centre and the Chief Executive Officers of the Business Units, who meet once a fortnight in order to ensure the ordinary and effective management of the Group.

The Company also has a Coordinating Director, who is appointed from the independent directors, with the powers set out in article 12 of the Board of Directors Regulation.

- With regard to **section C.12.** of this report it should be underscored that:

i) Company director Ms. Agnès Noguera Borel represents the director Luxury Liberty, S.A. at the board of directors of Adolfo Domínguez, S.A.

ii) Company director Mr Khalid Bin Thani Bin Abdullah Al Thani, also holds the following positions, in addition to those declared in the table of this section: Managing Director of Qatar International Islamic Bank, Chief Coordinator of Medicare Group, and Chief Coordinator of Qatar Islamic Insurance Co.

- With regard to **section C.1.15** and **C. 1.16**. of this report it should be underscored that:

i) The amounts corresponding to the total remuneration of directors and senior management recorded in sections C.1.15 and C.1.16 are those paid during the year calculated on an accrual basis as stipulated in Spanish Securities & Exchange Commission (CNMV) Circulars 4/2013, 5/2013 and 7/2015, which approve the models for annual reports on directors' remuneration and the annual corporate governance report for listed limited companies, and differ from the total remuneration paid to directors and senior management recorded in the Notes to the Financial Statements and Half-yearly Financial Information for 2015, which reflect accounting provision.

The remuneration paid to directors included in Section C.1.15 of this Report thus coincides with that specified in Section D of the annual report on directors' remuneration, to which we refer for further details.

ii) The total remuneration for the Board of Directors includes the compensation of Mr Fernando Abril-Martorell, Mr Emmanuel Roman and Mr Juan Arena de la Mora, until their resignation as directors, in 2015;

iii) The report on remuneration of Directors (section A.4 and E) states that, in accordance with the terms of his contract with the Company, Mr. Juan Luis Cebrián Echarri from January 2016 is entitled to receive a variable multi-year incentive, payable in shares of PRISA, with a value of up to 1,000,000 euros, being 15 € the reference value of the shares for the purposes of calculating the number of shares awarded, subject to (i) his remaining as Executive Chairman of PRISA until 1 January 2016 and (ii) his achievement of strategic objectives of the Company fixed by the Board of Directors.

This variable multi-year incentive of Mr. Cebrián, payable in shares of the Company in 2016, is not included in the overall remuneration of section C.1.5 of this report, since at the date of issuance of this report is unknown the price of the shares at the time of their delivery, which will occur in 2016.

iv) Section A.5 of the report on remuneration (Explain the principal features of the long-term savings schemes, including retirement and any other survival benefit, financed in whole or in part by the company, whether funded internally or externally, with an estimate of the amount thereof or the equivalent annual cost, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the conditions for vesting of the economic rights in favour of directors and compatibility thereof with any kind of indemnification for early termination of the contractual relationship between the company and the director. Also indicate the contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes) states as follows:

The contract signed with the Executive Chairman, Mr. Juan Luis Cebrián Echarri, which entered into effect on 1 January 2014 (see section A.7), provides that for each of the years 2014, 2015, 2016, 2017 and 2018, he is entitled to an annual contribution of 1,200,000 euros, as retirement benefit. Mr. Cebrián, founder of El Pais, this year will turn 40 years of service to the Company.

The retirement benefit will be delivered to Mr. Cebrián upon conclusion of his contract, even though the director resigns of his own accord. In the event of early termination of his contract by the Company, Mr. Cebrián as indemnification will receive exclusively full settlement of the retirement benefit, which will not be compatible with any other kind of indemnification

As indicated in section A.7 below, in the event of breach of the noncompetition clause established in his contract, Mr. Cebrián will be required to repay such amount as he may have received as retirement benefit to the Company.

The Company recorded in 2014 a provision covering the full amount of the retirement benefit.

v) The aggregate compensation of the managers is the compensation of members of senior management, that being understood to be the members of the Business Management Committee that are not executive directors and have an employment relationship with Prisa and other companies in the Group and, furthermore, the internal audit manager of Promotora de Informaciones, S.A

(Free translation from the original in Spanish language)

Is also included within the total compensation of senior management that corresponding to:

- o Mr. Pedro García Guillén until the sale of DTS Distribuidora de Televisión Digital, SA, of which Mr. García Guillén was CEO, by Prisa to Telefónica de Contenidos, SAU, on April 30, 2015.
- o Mr Javier Lázaro until his resignation as CFO in October 2015.
- o Mr. Antonio Alonso Salterain and Ms. Noelia Hernández Arroyo since their appointments as Revenue Officer and Managing Director of Business Development and Digital Transformation, respectively, in April 2015.

-With regard to **Section C.1.45** of this report it should be underscored that the body that has authorized ironclad or golden handshake clauses was the Corporate Governance, Nomination and Compensation Committee or the Nomination and Compensation Committee, depending on the date.

- With regard to **Section C.2.1** of this report it should be underscored that:

i) The three members of the Audit Committee, Mr. Alain Minc, Mr. Claudio Boada and Mr. Jose Luis Leal, have been appointed taking account of their knowledge and experience of accounting and audit work, but the IT platform only allows one director to be selected.

ii) The Chairman of the Audit Committee, Mr. Alain Minc, has held office since October 2014.

- With regard to **Section D.2** of this report it should be underscored that:

i. Transactions shown in the table include operations with the significant shareholder and/or companies in the Group;

ii. Transactions with Grupo PRISA include those with Promotora de Informaciones, S.A. (PRISA) and companies in its group. When the name of a particular company in Grupo PRISA is specified, this indicates that the transaction was carried out exclusively with that company.

iii. The operations shown in the table reflect the accounting information contained in the consolidated income statement for Grupo PRISA.

- With regard to **Section D.3** of this report it should be underscored that compensation to Prisa directors and senior management is detailed in Sections C.1.15 and C.1.16 of this report.

Likewise it should be underscored that Mr. Gregorio Marañón y Bertrán de Lis has rendered Legal advice services.

- With regard to **Section D.5** of this report it should be underscored that, in addition to the transactions described in section D.4 above, the following transactions with related parties, have been performed: i) services provided to Grupo Prisa companies by other investee companies, for an aggregate amount of 1,115 thousand euros, ii) services provided by Grupo Prisa companies to other investee companies, for an aggregate amount of 1,056 thousand euros, iii) loans granted by Grupo Prisa companies to other investee companies, for an aggregate amount of 1,026 thousand euros, iv) financial income recorded by companies in Grupo Prisa, linked to the loans granted to investees, amounting to an aggregate total of 1,329 thousand euros and v) dividends received by Grupo Prisa companies from investees, amounting to an aggregate total of 47 thousand euros.

- With regard to **Sections D.7 and G.2** of this report it should be underscored that PRISA Portuguese subsidiary Grupo Media Capital, S.G.P.S, S.A. is listed on the Portuguese securities market.

- For the purposes of **section G.16** of this Report, it is placed on record that the Company currently has 5 proprietary directors (representing 41.66% of the total external directors) and the shareholders they represent own an aggregate interest of approximately 41.76%:

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

- As PRISA's ADS are not listed on the NYSE (see Section A.12 of this Report), the Company is not subject to the corporate governance requirements specified by the Securities Exchange Act, the Sarbanes-Oxley Act and the NYSE.

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

This Annual Report on Corporate Governance was approved by the Board of Directors of the Company at its meeting on February 26, 2016.

Indicate whether any directors voted against or abstained in the vote taken to approve this report.

NO