

**ANNUAL REPORT ON COMPENSATION OF DIRECTORS
OF LISTED COMPANIES PARTICULARS OF ISSUER**

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COMPANY NAME:

PROMOTORA DE INFORMACIONES, S.A.

REGISTERED ADDRESS:

GRAN VIA, 32, MADRID

ANNUAL REPORT ON COMPENSATION OF DIRECTORS OF LISTED COMPANIES

A. COMPENSATION POLICY OF THE COMPANY FOR THE YEAR IN COURSE

A.1 Explain the company's compensation policy. Within this section include information regarding:

- General bases for and principles of the compensation policy.
- Most significant changes made to the compensation policy by reference to the policy used during the prior period, and the changes that have been made during the year in the terms for exercise of options already granted.
- Criteria used to establish the company's compensation policy.
- Relative importance of the variable compensation categories by reference to the fixed categories, and criteria used to determine the various components of the compensation package of the directors (compensation mix).

Explain the compensation policy

This report refers to PROMOTORA DE INFORMACIONES, S.A. (hereinafter "PRISA" or the "Company").

At the Ordinary Shareholders' Meeting of PRISA held on 20 April 2015, under point ten of the agenda, the shareholders approved the annual report on directors' compensation (the "Remuneration Report"), which states the Board of Directors' compensation policy for 2015.

Furthermore, pursuant to the Transitional Provision of Law 31/2014 of 3 December, in concordance with article 529 novodecies of the Capital Companies Act, the Board of Directors compensation policy contained in said Remuneration Report and approved by the 2015 general meeting has a term of three years (that is, until financial year 2017, inclusive), unless it is amended or replaced by a different policy.

The Board of Directors has agreed that the directors' compensation policy for 2016 shall be the same as the one that was approved by the 2015 general meeting. Said compensation policy is as follows:

1. General bases for and principles of the compensation policy.

The Articles of Association (article 22) and the Board of Directors Regulations of PRISA (articles 33, 34 y 35) contain the general scheme applicable to director compensation.

The Compensation Policy has been approved within the general framework and taking account of the following principles:

- The Board of Directors shall ensure that the remuneration of the Directors meets the market conditions. The compensation of the directors in any event must be in reasonable proportion to the size of the Company, the economic situation existing from time to time and the market standards of comparable undertakings. Also, the established compensation scheme must be aimed at promoting the profitability and long-term sustainability of the Company, and must incorporate the safeguards necessary to prevent excessive risk assumption and reward of unfavourable results.
- In any event, compensation linked to Company earnings must take account of any qualifications stated in the audit report that reduce those earnings.

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

The compensation of directors is compatible with and independent of the salaries, compensation, indemnifications, pensions or remuneration of any kind, established generally or individually for those members of the Board of Directors that serve in any compensated office or position of responsibility, whether or not of an employment nature, with PRISA or with companies of its Group.

As a result, the compensation policy for 2016, as for 2015, varies depending upon whether it applies to inside or external directors.

On December 31, 2015, the Board of Directors has 12 external directors and 3 executive directors (the Chairman of the Board of Directors and of the Delegated Commission, Mr. Juan Luis Cebrián Echarri, the CEO, Mr. Jose Luis Sainz Díaz , and the Deputy Chairman of PRISA and Chairman of Prisa Audiovisual, Mr. Manuel Polanco Moreno).

As described below, the directors may receive a part of their compensation by way of delivery of shares of the Company. The PRISA internal rules of conduct establish an obligation to advise the Compliance Unit of any transaction in the shares of the Company. Also, there are restrictions on engaging in transactions in such securities for all directors that may have inside information.

Additionally, as explained later on in this section, there are certain restrictions on the transfer of shares received by directors as part of their compensation.

Deliveries of shares made to Directors until April 2019 are covered by a resolution adopted by the ordinary shareholders meeting held on 28 April 2014, authorising the delivery of shares of the Company in payment of compensation of directors of the Company and a defined group of executives of Prisa Group.

2. Categories of compensation of for external directors:

The general shareholders meeting held on 27 November 2010 established maximum fixed compensation for the Board of Directors of 2,000,000 euros. That maximum will remain in effect until the general meeting approves an amendment thereof.

On proposal of the Nominating and Compensation Committee, this maximum has not been adjusted since it was originally fixed. Nor will it be adjusted for 2016.

Also, respecting the limits on that compensation fixed by the general meeting as well as the types of compensation provided for in the Articles of Association, the Board of Directors has authority to resolve the terms upon which compensation will be distributed to the various directors. As provided in article 22 of the Articles of Association, the compensation of the various directors may vary based on their positions, functions and responsibilities assigned and their services on board committees, and will be compatible with payment of per diems for attendance at meetings.

The compensation policy for external directors that was approved at the Ordinary Shareholders' Meeting includes the following categories of compensation:

i. Fixed annual compensation for membership on the Board of Directors, which is paid to each of the external directors, at their election, either fully in cash or 60% in cash and 40% in PRISA shares.

As agreed by the Board of Directors de PRISA, external directors receiving shares in payment of their fixed compensation, have the obligation to hold them until they leave their positions as directors.

ii. Fixed annual compensation for membership on various board committees (Delegated Commission, Audit Committee, Nominating and Compensation Committee and Corporate Governance Committee), paid in cash. The amount is different for chairmen and members of the committees.

Members of the Committee for Digital Change do not receive fixed annual compensation for such membership.

iii. Per diems for attendance at meetings of the Board of Directors and its committees (Delegated Commission, Audit Committee, Nominating and Compensation Committee, Corporate Governance Committee and Committee for Digital Change), also paid in cash to External directors.

In addition to the aforesaid compensation, External directors of PRISA may earn other fees for their participation on the boards of directors of other companies in the PRISA Group, in accordance with their respective articles of association, as in fact occurs.

Notwithstanding the above, since the ratification, reelection and appointment of a large number of directors will be put to the next General Shareholders' Meeting, therefore restructuring the Board of Directors and its committees, the Board that results from that General Meeting may, if appropriate, at the proposal of the Nominating and Compensation Committee, review the remuneration concepts of the non-executive directors, although the total amount of annual fixed compensation may not exceed the limit of €2,000,000 established by the General Shareholders' Meeting held on 27 November 2010.

3. Categories of compensation of executive directors:

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

The compensation of the executive directors is determined by the respective contracts of each of them with the Company, which are analysed in greater detail in the following sections.

In general terms, the categories of compensation corresponding to the executive directors are as follows:

- i. Fixed salary.
- ii. Variable compensation (annual and multi-year).
- iii. In-kind compensation
- iv. Indemnification for termination of contract
- v. Compensation for post-contractual noncompete

In December 2015, at the proposal of the Corporate Governance Committee and after consideration of a favourable report from the Nomination and Remuneration Committee, within the framework of the Company's compensation policy and with the aim of complying with Recommendation 62 of the CNMV's Unified Code on Good Corporate Governance, the PRISA Board of Directors agreed to limit the transfer of shares received by executive directors as compensation, so that the number of shares transferred may not exceed two times the directors' fixed annual compensation until at least three years after the shares were allocated. This measure will apply to shares received by directors on or after 1 January 2016.

4. Compensation mix for executive directors:

The relative importance of the variable compensation categories by comparison with the fixed categories (the "compensation mix", in the determination of which fixed compensation for 2016, annual target variable compensation for 2016 and annualised target long-term variable compensation for 2016 have been taken into account), is as follows for each of the executive directors:

- i. The compensation mix of Mr. Juan Luis Cebrián Echarri (Executive Chairman) is 40% fixed compensation, 40% variable compensation and 20% long-term variable compensation.
- ii. The compensation mix of Mr. Manuel Polanco Moreno (Executive Deputy Chairman of PRISA and Chairman of Prisa Audiovisual) is 52% fixed compensation, 31% annual variable compensation and 17% long-term variable compensation.
- iii. The compensation mix of Mr. Jose Luis Sainz Díaz (CEO) is 41% fixed compensation, 41%

variable compensation and 18% long-term variable compensation.

The Board of Directors, on proposal of the Nominating and Compensation Committee, reviews the compensation policy annually. The criteria that are used in determining the various components of the compensation package are defined by virtue of the strategic objectives set by the Board of Directors, best market practices and the legislation in effect from time to time.

A.2 Information on preparatory work and the decision-making process that has been used to determine the compensation policy and the role, if any, played by the compensation committee and other supervisory bodies in setting the compensation policy. This information if appropriate will include the mandate of the compensation committee, its composition and the identity of the outside advisors the services of which have been used in the determination of the compensation policy. It will also state the nature of the directors, if any, that have participated in determination of the compensation policy.

Explain the process for determination of the compensation policy

1. Preliminary work:

The compensation policy is posed, in the first instance, by a working group comprised of professionals from the Human Resources Department and the Office of the General Secretary of PRISA. They study and take into consideration the applicable legal framework, articles regulation and internal regulations, recommendations and best practices regarding the matter, the structure of the management body, the contractual conditions of executive directors and the needs and economic situation of the business.

Definition and proposal of the compensation policy by the Nominating and Compensation Committee:

Based on the aforesaid preliminary work, the Nominating and Compensation Committee defines and proposes the 2016 compensation policy that will be the same as for 2015.

The functions of the Nominating and Compensation Committee in this regard are defined in the Board of Directors Regulations of PRISA, the article 28 of which gives it the following responsibilities:

- i. Propose to the Board of Directors, to their submission to the General Shareholders Meeting, the Compensation Policy of the Directors and the executives or for those that development their top management functions under the direct dependence of the Board, the Executive Committees or he CEOs, as well as the individual remuneration and the other agreement conditions for the Executive Directors, ensuring for their observance.*
- ii. Approve the objectives associated to the variable compensation of the Directors and/or the executives.*
- iii. Report to the Board the liquidation of the variable compensation of the Company's management executives, as well as the liquidation of other incentive schemes destined to them.*
- iv. Ensure the observance of the Compensation Policy established by the Company."*

The Nominating and Compensation Committee is comprised of two independent external directors (its Chairman, Mr. Gregorio Marañón y Bertrán de Lis, and Mr. Alain Minc) and two proprietary external directors (Mr. Borja Pérez Arauna and Ms. Agnès Noguera Borel).

2. Approval of the compensation policy by the Board of Directors:

At the proposal of the Nomination and Remuneration Committee, the Board of Directors has agreed that the compensation policy for financial year 2016 shall be the same as the policy for financial year 2015 approved by the Ordinary General Meeting held on 20 April 2015.

The board in addition has approved the individual compensation for executive directors and any other conditions pertaining to their contracts.

The authority of the board in this regard is set forth in article 5 of the PRISA Board of Directors Regulations.

3. Approval on an advisory basis by the general shareholders meeting:

As already stated, at the Ordinary Shareholders' Meeting of PRISA held on 20 April 2015, under point ten of the agenda, the shareholders approved the annual report on directors' compensation, which contained the Board of Directors' compensation policy for 2015.

Pursuant to the Transitional Provision of Law 31/2014 of 3 December, in concordance with article 529 novodecies of the Capital Companies Act, the board of directors compensation policy contained in said Remuneration Report is understood to have been approved by the 2015 general meeting for a period of three years (that is, until financial year 2017, inclusive), unless it is amended or replaced by a different policy.

In accordance with the provisions of article 541 of the Capital Companies Act, this compensation policy report will be submitted for approval, on an advisory basis, of the ordinary general shareholders meeting held in 2016. The complete text thereof will be made available to the shareholders.

4. Outside Advice

For the Compensation Policy of 2015 and in particular, to define the compensation scheme for the CEO the outside advice of the Towers Watson consulting firm was used. As well, for the drafting of this policy, the Company had the collaboration of KPMG Abogados.

The process that was used ensures proper alignment of the Company's compensation policy with the principles determined by the Board of Directors, and the long-term sustainability of the business, satisfying the formal requirements established by applicable rules. Based on this entire process, the Company has a sound compensation policy, endorsed by the Company's various governance bodies, which protects the interests of the Company and seeks alignment with the interests of its shareholders.

A.3 Indicate the amount and nature of the fixed components, broken down, if applicable, of the compensation for performance of duties of senior management of the executive directors, the additional compensation as chairman or a member of any board committee, of the per diems for participation on the board and its committees or other fixed compensation as a director, as well as an estimate of the fixed annual compensation resulting therefrom. Identify other benefits that are not paid in cash and the basic parameters on the basis of which they are granted.

Explain the fixed components of compensation

As already was indicated in section A.1. above, the categories of compensation received by directors are different depending on whether they are inside or external directors.

1. Fixed components of the compensation of external directors:

- i. Compensation for membership on Board of Directors: compensation in this category amounts to 75,000 euros per annum. This amount is paid to each of the external directors, at their election, either fully in cash or 60% in cash and 40% in PRISA shares. When a director chooses partial payment in shares of PRISA, they are delivered quarterly on a prorated basis, taking as the reference the average closing price of the share on the Continuous Market over the thirty business days immediately preceding the last day of each calendar quarter, included. Cash contribution is paid monthly, also on a prorated basis.

As already indicated in section A.1 above, external directors that receive shares in payment of their fixed compensation are required to hold them until leaving their positions as directors.

- ii. Compensation for membership on the Delegated Commission: the compensation in this category also amounts to 75,000 euros per annum and is paid on a prorated basis, monthly in cash.

- iii. Compensation for membership on the Audit Committee, Nominating and Compensation Committee and Corporate Governance Committee: the compensation in this category amounts to 19,000 euros per annum for their chairmen and 9,500 euros per annum for members, and is paid monthly in cash, on a prorated basis.

Members of the Committee for Digital Change receive no fixed annual compensation for membership on that committee.

- iv. Per diems for attendance at meetings of the Board of Directors and its committees (Audit Committee, Nominating and Compensation Committee, Corporate Governance Committee and Committee for Digital Change): the amount of the per diems for attendance at meetings of board committees is different for their chairmen and for their members, and is paid fully in cash.

Nevertheless, and as indicated in the above Section A.1, since the ratification, reelection and appointment of a large number of directors will be put to the next General Shareholders' Meeting, thereby restructuring the Board of Directors and its committees, the Board that results from that General Meeting may, if appropriate, at the proposal of the Nominating and Compensation Committee, review the remuneration concepts of the non-executive directors, although the total amount of annual fixed compensation may not exceed the limit of €2,000,000 established by the General Shareholders' Meeting held on 27 November 2010.

2. Fixed components of the compensation of executive directors:

As already has been indicated, the executive directors receive no compensation for membership on the Board of Directors and its committees. They receive, exclusively for their executive and senior management functions, fixed annual compensation in cash, which is determined by their respective contracts, and which in 2016, remaining unchanged with respect to 2015, will be in the following maximum amounts:

- i. Mr. Juan Luis Cebrián Echarri: 1,000,000 euros.
- ii. Mr. Manuel Polanco Moreno: 460,420 euros
- iii. Mr. Jose Luis Sainz Díaz: 750,000 euros.

A.4 Explain the amount, nature and main features of the variable components of the compensation schemes.

In particular:

- Identify each of the compensation plans of which the directors are beneficiaries, the scope thereof, the date of approval, the date of implementation, the term of validity and the main features. In the case of option plans on shares and other financial instruments, the general features of the plan are to include information regarding the conditions for exercise of the options or financial instruments for each plan.
- Indicate any compensation under profit-sharing or bonus plans, and the reason it is paid.
- Explain the basic parameters and basis for any annual bonus system.
- The classes of directors (executive directors, proprietary external directors, independent external directors and other external directors) that are beneficiaries of compensation schemes or plans that incorporate variable compensation
- The underlying basis of such variable compensation schemes or plans, the criteria for evaluation of performance that are used, as well as the components of and methods for evaluation to determine whether or not the evaluation criteria have been met, and an estimate of the absolute

amount of the variable compensation resulting from the current compensation plan, based on the degree of fulfilment of the hypotheses or objectives taken as a reference.

– If applicable, the information is to include a report on the payment deferral periods that have been established and/or the periods for retaining shares or other financial instruments, if any.

Explain the variable components of the compensation schemes

Only the compensation policy for executive directors includes variable categories in addition to fixed compensation. They are as follows:

1. Short-term variable compensation (annual):

The annual variable compensation consists of a bonus scheme related to 100% fulfilment of management objectives. These objectives are approved annually by the Nominating and Compensation Committee for the management team. In the case of executive directors, the approval corresponds to the Board of Directors, on proposal of that committee. The target bonus, in the case of executive directors, is the one agreed in their respective contracts.

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

The quantitative objectives refer to the consolidated group. The reference metrics for determination of the quantitative objectives are different depending on whether the beneficiary provides his services at corporate headquarters or within a business unit, although they have different weightings.

As indicated in the above Sections A.1 and A.3, the ratification, reelection and appointment of a large number of directors will be put to the next General Shareholders' Meeting, significantly restructuring the Board of Directors and its committees. Therefore, the Board of Directors and the Nominating and Compensation Committee have not defined the quantitative and qualitative targets for 2016 since it is important that the bodies that result from this restructuring are the bodies that define the metrics and criteria for determining executive directors' bonuses, taking the Compensation Policy into account that was approved by the General Shareholders' Meeting of 2015 as well as directors' employment contracts.

The new rules that may be established by the Board of Directors, the estimate of the absolute amount of variable compensation and the evaluation methods that will be followed to determine whether directors have achieved the objectives associated with their variable compensation, will be appropriately disclosed to the market.

In any case the qualitative part of the annual bonus allows the evaluators to assess performance negatively when it is concluded that the inside director assumed excessive risk.

Payment of the annual bonus is made after the end of the year. For this reason the bonuses earned in 2016 by the executive directors, in accordance with the rules that may be determined by the Board of Directors resulting from the next General Shareholders' Meeting, will be paid in 2017.

The target variable compensation of the executive directors is in accordance with the terms of their respective contracts.

2. Multi-year variable compensation:

i) Mr. Juan Luis Cebrián Echarri:

In accordance with the terms of his contract with the Company, Mr. Cebrián 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. The objectives of this multi-year incentive will be the Basic Cash Flow of the group, cumulative for 2014 and 2015, with a weighting of 60% and, on the other hand, fulfilment of the strategic plans, budgets and refinancing of the company, with a weighting of 40%. Achievement of milestone 1 for the refinancing of the Company will be

an essential requirement for earning 40% of multi-year variable compensation.

Based on a favourable report by the Nomination and Remuneration Committee, with the aim of giving greater stability to the Company's management, at its meeting on 18 December 2015 PRISA'S Board of Directors agreed to extend Mr Cebrián's role as executive chairman for a period of three years and to extend the term of his contract for an additional two years, during which period he will continue to act as non-executive chairman, without changing the financial conditions of his contract.

Within the framework of the multi-year compensation plan, the Board of Directors and the Nomination and Remuneration Committee also consider that the Chairman has played a key role in successfully carrying out the divestments in DTS and Mediaset, both fundamental components of the refinancing plan, and in attracting two major international investors such as International Media Group and Occher, which in the last two years have subscribed to both capital increases for a total amount of nearly €150 million with a total premium of €126 million. The Chairman's actions and performance in achieving milestones 1 and 2 of the refinancing plan, one year ahead of schedule, having reduced the debt by more than €1.6 billion with major discounts through debt buybacks (average greater than 15%), easily justify the multi-year incentive. Mr Cebrián is therefore deemed to have accrued the right to receive 60,311 shares.

The percentage completion of the established targets to accrue the aforementioned remuneration was 90.47%, which gives the right to receive 60,311 shares, which shall be allocated in 2016.

ii) Mr. Jose Luis Sainz Díaz:

In accordance with the terms of his contract with the Company, Mr. Sainz will be entitled to receive a variable multi-year incentive, payable in shares of PRISA, subject to fulfilment of the Company's strategic plans:

- For 2014-2016, in line with the terms of the Long-Term Incentive Plan (ILP) approved by the ordinary general meeting held on 28 April 2014, the term for the generation of that incentive will be three years (2014, 2015 and 2016), the target amount to be received will be up to one million euros in shares and the reference value of a share for purposes of calculation will be 0.4193 euros, equivalent to 12,579 euros after the reverse split carried out by the company in 2015 (2,384,927 shares of the Company, which are equivalent to 79,497 shares after the abovementioned reverse split), pursuant to the resolution of the aforesaid general shareholders meeting, the maximum number of shares to be delivered will be 110% of the incentive for 110% achievement of objectives, with the minimum required achievement of objectives being 80%, corresponding in this case to 50% of the incentive based on achievement of objectives.

The parameters for evaluation of the degree of achievement of the objectives will be determined based on the Basic Cash Flow of the group EBITDA, minus provisions, minus CAPEX), for the accumulated period 2014-2016, weighted at 100%, and remaining until 31 December 2016.

- For the 2017-2018 period, the target amount will be up to one million euros (in shares, and the reference price of a share will be the weighted average price on the thirty days prior to 1 January 2017.

The quantitative and qualitative objectives for that period will be fixed by the Board of Directors on proposal of the Nominating and Compensation Committee, which must take account of fulfilment of the strategic plans of the Company and personal performance.

iii) Mr. Manuel Polanco Moreno:

Mr. Polanco is a beneficiary of the Long-term incentive that, within the compensation policy of the Company, for the purpose of aligning the interests of the management team of Prisa Group with those of its shareholders, and to incentivise and encourage loyalty among the members of the Management Team, was approved by the PRISA shareholders meeting held on 28 April 2014 (ILP). The ILP is for a total term of three years, from 1 January 2014 to 31 December 2016. By virtue thereof a given number of ordinary shares of the Company and a given amount of cash may be delivered to executive directors of the Company and a specific group of key executives of the group, based on their level of responsibility and contribution to the results of the group, as variable compensation tied to achievement of long-term objectives.

Calculation of the ILP settlement and payment in cash and delivery of shares will occur in 2017, on the terms and conditions established, on proposal of the Nominating and Compensation Committee, by the Board of Directors, which will determine the specific date of delivery of the shares and payment of the cash amount.

Of the three executive directors, only Mr. Manuel Polanco is a current beneficiary of the ILP.

Within the ILP, the target amount to be received by Mr. Polanco will be up to 450,000 euros, payable 80% in cash and 20% in shares. The reference value of a share for these purposes will be 0.4193 euros, equivalent to 12,579 euros after the reverse split carried out by the company in 2015, pursuant to the resolution of the general shareholders meeting of 28 April 2014 that approved the ILP. The maximum to be paid will be 110% of the incentive for 110% achievement of objectives, with a minimum achievement of 80% required, corresponding in this case to 50% of the incentive based on achievement of objectives.

The parameters for evaluation of the degree of achievement of the objectives will be determined based on the Basic Cash Flow of the group EBITDA, minus provisions, minus CAPEX), for the accumulated period 2014-2015, weighted at 100%, and remaining with the group until 31 December 2016.

3. Coverage for delivery of shares in payment of multi-year variable compensation:

As already indicated in section A.1 of this report, the ordinary shareholders meeting held on 28 April 2014 authorised delivery of shares of the Company in payment of compensation of directors of the Company and a defined group of Prisa Group executives. Within the cases covered by that resolution delivery of shares to executive directors and payment of long-term variable compensation (long-term incentive) was included, for these purposes expressly including the aforesaid ILP, also approved at that meeting, when it resolved that it was to be paid in whole or in part in the form of shares of PRISA.

4. Early termination and variable compensation:

i) Contract of Mr. Juan Luis Cebrián Echarri:

In the event of early termination of the contract between the Company and Mr. Cebrián, except when termination thereof is decided by the Company by reason of the Executive Chairman's having engaged in any of the conduct that current labour legislation considers to be just cause for dismissal, he will receive the part of the annual bonus accruing in proportion to the time worked during the year, provided that the objectives contemplated in each case are achieved.

ii) Contract of Mr. Jose Luis Sainz Diaz:

In the event of termination of the contract between the Company and Mr. Sainz for any reason not attributable to the CEO, he will receive the part of the annual bonus and the multi-year compensation earned in proportion to the time worked during the year or relevant multi-year period, respectively, provided that the objectives contemplated in each case are achieved.

In any event, the multi-year compensation corresponding to the year of departure will not be paid if it results from a decision of the company based on breach of his obligations, or by resignation or voluntary departure of the CEO, unless in the latter case the resignation or departure occurs during the last two months of the year, in which case he will receive the proportional part of the corresponding variable compensation, provided that the contemplated annual objectives are achieved.

In no case will the annual variable compensation corresponding to the year in which the contract is terminated, or the multi-year variable compensation corresponding to the relevant period, be paid if the termination of the contract is decided upon by the Company by reason of the CEO engaging in any of the conduct that current labour legislation deems to be just cause for dismissal.

iii) Contract of Mr. Manuel Polanco Moreno:

In the event that the contract between Mr Polanco and the company is terminated, Mr Polanco will receive the fraction of the accrued annual bonus and the multi-year compensation in proportion to the amount of time worked during the year or the corresponding multi-year period respectively, provided that the targets set in each case have been achieved.

Under no circumstances will the annual variable compensation corresponding to the year in which the agreement is terminated be paid, nor shall the multi-year variable compensation corresponding to the relevant period be paid if the Company decides to terminate the CEO's contract due to any of the just causes or conduct that justify dismissal under prevailing employment legislation.

Either the multi-year variable compensation will not be paid when he voluntarily leaves the position. The

aforesaid loss of rights will occur at the time of notice of the resignation or termination of his contract, or when he is properly dismissed or his contract is terminated for just cause. The aforesaid loss of rights will occur from the day of notice of the dismissal or termination of the contract, and he will not be entitled to receive any compensation whatever by way of multi-year incentive.

In the event of death or disability requiring departure from office, temporary disability by reason of illness or accident, Mr. Polanco or his heirs will receive the proportional part of the incentive that has been generated. In this regard, the incentive will be prorated based on the time actually worked from the commencement date of the plan. In the event of forced leave, retirement, early retirement or similar circumstances under a company plan, improper dismissal or termination of the contract with a right of indemnification, he will not be entitled to receive the incentive. Nonetheless, in the foregoing cases the Nominating and Compensation Committee may establish whether Mr. Polanco will retain all or a part of the incentive, and on what conditions. When the termination of the labour relationship occurs by mutual agreement or by reason of a leave of absence not referred to in any of the preceding sections, the provisions of the termination or leave of absence agreement will apply.

A.5 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.

Explain the long-term savings schemes

The contract signed with the 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 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, and will vest even in the event of early termination of the contract. In the event of early termination of his contract by the Company, Mr. Cebrián as indemnification will receive exclusively 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 in 2014 recorded a provision covering the full amount of the retirement benefit.

A.6 Indicate any indemnification agreed or paid in the event of termination of a director's duties

Explain the indemnification

The Company's compensation policy includes recognition that executive directors are entitled to indemnification in certain cases of early termination of their executive functions. Their respective contracts set forth the agreements reached by the company and the executive directors:

1. As already indicated in section A.5 above, in the event of early termination of the contract of Mr. Juan Luis Cebrián Echarri by the Company, he will receive exclusively as indemnification the retirement benefit, which will not be compatible with any other kind of indemnification.

2. The contract signed with the CEO, Mr. Jose Luis Sainz Díaz, provides that, in the event of unilateral resignation or by simple decision of the Company or its breach, he will be entitled to indemnification equivalent to 15 months of fixed and annual variable compensation, as the reference using the last one paid.

3. The contract signed with the Deputy Chairman, Mr. Manuel Polanco, provides that in the case of unilateral resignation, simple decision of the Company or breach by it, he will be entitled to payment of indemnification equivalent to compensation equivalent to 15 months of the fixed and variable annual compensation in cash, taking the most recent payment as reference.

A.7 Indicate the conditions to apply to the contracts of executive directors exercising senior management functions. The report is to include, inter alia, the duration, the limits on amounts of indemnification, minimum terms of employment (cláusulas de permanencia), terms of advance notice, as well as payment as a substitute for the aforesaid advance notice, and any other clauses related to hiring bonuses, indemnification or golden parachutes for early termination of the contractual relationship between the company and the inside director. Include, inter alia, noncompetition, exclusivity, minimum terms or loyalty and post-contractual noncompetition clauses or agreements.

The following should be noted:

i) Having received the favourable report of the Nomination and Remuneration Committee and in order to provide greater stability to the company's management, the meeting of the Board of Directors of PRISA on 18 December 2015 agreed to extend the executive nature of Mr Cebrián's chairmanship for a period of three years and to extend the duration of his contract by an additional two years, during which time he will perform a non-executive chairman's role.

ii) Following completion of the sale of DTS, Distribuidora de Televisión Digital, S.A. ("DTS") by PRISA to Telefónica de Contenidos, S.A.U, on 30 April 2015, Mr. Manuel Polanco gave up the chairmanship of DTS. In 2015 the Company and Mr. Polanco signed a new contract – which was approved by the Board of Directors at the proposal of the Nomination and Remuneration Committee, in compliance with the requirements of article 249 of the Capital Companies Act – the terms and conditions of which are entirely in accordance with the compensation policy that was approved by the Ordinary General Meeting of April 2015. Mr. Polanco is Chairman of PRISA Audiovisual, a holding company that groups the equity investments and assets of PRISA Group in the audiovisual area.

	Chairman Mr. Juan Luis Cebrián Echarri	Deputy Chairman Mr. Manuel Polanco Moreno	CEO Mr. Jose Luis Sainz Diaz
Term	According to the addendum signed in December 2015: duration of the contract until 31 December 2020 (Executive Chairman until 31 December 2018).	Indefinite.	Until 31 September 2019
Advance notice from the director	Three (3) months. Obligation to pay the Company the compensation corresponding to the period of advance notice not honoured. Receipt of the retirement benefit.	Three (3) months. Obligation to pay the fixed compensation corresponding to the period of advance notice not honoured.	Three (3) months. Obligation to pay the fixed compensation corresponding to the period of advance notice not honoured.
Indemnification for termination of contract by the Company	Retirement benefit	Advance notice of three (3) months. Indemnification equivalent to fifteen (15) months of the most recent fixed and variable compensation	Advance notice of three (3) months. Indemnification equivalent to fifteen (15) months of the most recent fixed and variable compensation
Exclusivity and noncompetition clauses	Exclusivity while he is in the position of executive	Exclusivity during the term of	Exclusivity during the term of

	<p>chairman (compatible with serving in other positions within the PRISA Group, activities of literary or artistic creation, teaching or academic endeavours (classes, conferences, etc.), management of his personal assets and responsibilities as an administrator of family undertakings or in non-profit organisations, in particular those deriving from his status as a member of the Real Academia Española. General prohibition of competition.</p>	<p>the contract absent express authorisation of the Board of Directors, and specific prohibition of competition, except for companies identified in the contract.</p>	<p>the contract absent express authorisation of the Board of Directors, and specific prohibition of competition, except for companies identified in the contract.</p>
<p>Post-contractual noncompetition</p>	<p>Four (4) years Spanish or foreign undertakings the business of which is identical or similar to those of the companies in the PRISA Group, in particular those of PRISA. Commitment not to hire any person that is or during the twelve (12) months prior to the date of contracting was a member of PRISA Group staff; and not to contribute to any PRISA Group worker leaving it. Compensation: retirement benefit. Breach: obligation to return the amount received as retirement benefit.</p>	<p>One (1) year.</p> <p>Spanish or foreign undertakings the business of which is identical or similar to those of the companies in the PRISA Group. Commitment not to hire any person that is or during the twelve (12) months prior to the date of termination of the contract was a member of PRISA Group staff; and not to contribute to any PRISA Group worker leaving it. Compensation: six (6) months of the last fixed gross salary, payable in equal instalments over the term of the noncompetition agreement. Breach: obligation to repay the amount of the compensation and, in addition, indemnification in an amount equal to six (6) months of the fixed compensation received.</p>	<p>One (1) year.</p> <p>Spanish or foreign undertakings the business of which is identical or similar to those of the companies in the PRISA Group. Commitment not to hire any person that is or during the twelve (12) months prior to the date of termination of the contract was a member of PRISA Group staff; and not to contribute to any PRISA Group worker leaving it. Compensation: six (6) months of the last fixed gross salary, payable in equal instalments over the term of the noncompetition agreement. Breach: obligation to repay the amount of the compensation and, in addition, indemnification in an amount equal to six (6) months of the fixed compensation received.</p>

- A.8 Explain any additional compensation accrued to directors as consideration for services rendered other than those inherent in the position.

Explain the additional compensation

Mr. Gregorio Marañón y Bertrán de Lis provides legal services to the Company in an annual amount of €90,000. This amount is included in tables of section D of this report.

- A.9 Indicate any compensation in the form of advances, loans and guarantees granted, indicating the interest rate, the essential features and the amounts eventually repaid, as well as the obligations assumed on their behalf by way of guarantee.

Explain the advances, loans and guarantees granted

Not applicable

- A.10 Explain the main features of in-kind compensation

Explain the in-kind compensation

1. Life or Accident Insurance and Health Insurance:

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

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

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

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

2. Rental housing:

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

- A.11 Indicate the compensation earned by a director by virtue of payments made by the listed company to a third party entity within which the director serves, when the purpose of such payments is to compensate the director's services within the company.

Explain the compensation earned by the director by virtue of payments made by the listed company to a third party entity within which the director serves

Not applicable

A.12 Any category of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be considered to be a related party transaction or when payment thereof distorts the true and fair view of the total compensation received by the director.

Explain the other compensation categories

Not applicable

A.13 Explain the actions taken by the company regarding the compensation system to reduce exposure to excessive risk and to adapt it to the long-term interests, values and objectives of the company. This if applicable is to include reference to: measures contemplated to ensure that the compensation policy is responsive to the long-term results of the company, measures establishing appropriate balance between fixed and variable components of compensation, measures adopted regarding those categories of personnel the professional activities of which have a material impact on the company's risk profile, recovery clauses or formulas to allow claims for return of variable components of compensation based on results when those components of compensation have been paid based on data the inaccuracy of which is thereafter clearly demonstrated, and measures contemplated for the avoidance of conflicts of interest, if applicable.

Explain the actions taken to reduce risks

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

- The Company has eliminated the right to obtain guaranteed annual variable compensation.
- Also, the Regulation of the Board establish that compensation related to the results of the Company must take account of any possible qualifications appearing in the audit report that diminish those results.
- Having received a favourable report from the Nomination and Remuneration Committee, at the proposal of the Corporate Governance Committee and following Recommendation 63 of the CNMV's Good Governance Code, at its meeting on 18 December 2015 the Board of Directors agreed to add a clawback clause to the contracts of the three executive directors. This clause will allow the Company to claim reimbursement of items of variable pay where the pay was not matched to performance or where it was awarded based on performance figures that later are found to have been inaccurate.

This measure will apply to compensation received by directors on or after 1 January 2016.

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

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

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

The right of Mr. Manuel Polanco and Mr. Jose Luis Sainz to receive the multi-year incentive will be deemed to be extinguished, regardless of whether the objectives have been achieved, under the following circumstances:

1. If on the date of payment thereof the group is in any of the insolvency situations governed by the Bankruptcy Act, for these purposes including the situation contemplated in article 5.bis of the aforesaid Act,

as well as the situation in which the group has impaired capital.

2. If, during the term of the Plan, the participant breaches the code of conduct or the internal regulation of conduct in matters related to the securities markets of PRISA and its group of companies.
3. If at the end of the Plan the participant receives a deficient evaluation. That evaluation will be undertaken by the Board of Directors on proposal of the Nominating and Compensation Committee.

Performance is deficient if it results in material harm to the image or results of the Company.

Application by the Company of the indicated conditions subsequent will require preparation of a report by the Nominating and Compensation Committee appropriately explaining the breach, which must be approved by the Board of Directors and notified to the director.

B. Section Withdrawn

C. OVERALL SUMMARY OF HOW THE COMPENSATION POLICY WAS APPLIED DURING THE MOST-RECENTLY CLOSED PERIOD.

- C.1 Explain in a summary manner the main features of the compensation categories and structure of the compensation policy applied during the most-recently closed period, which results in the details of individual compensation earned by each of the directors reflected in section D of this report, and summarise the decisions taken by the board for application of the aforesaid categories.

Explain the compensation categories and structure of the compensation policy applied during the period

The compensation policy actually applied during 2015 was in response to the one approved and contemplated for that year by the Board of Directors, on proposal of the Nominating and Compensation Committee, and approved by the ordinary shareholders meeting held on April 2015 (view section A.1 and A.2 of this report).

During 2015, Mr. Fernando Abril-Martorell, Mr. Emmanuel Roman and Mr. Juan Arena de la Mora left the Board of Directors. In December 2015, Mr. Khalid Bin Thani Bin Abdullah Al Thani and Mr. Joseph Oughourlian joined the Board.

Set forth below is a summary of the categories constituting the compensation package of the directors in 2015:

External directors:

The external directors earned annual fixed compensation, for membership on the Board of Directors and, depending on the case, compensation for membership on the various committees of the board (Delegated Commission, Audit Committee, Nominating and Compensation Committee and Corporate Governance Committee). Also, they received per diems for attendance at meetings of the Board of Directors and its committees. As has been indicated, the external directors that are members of the Committee for Digital Changee, although they have not received annual fixed compensation for their membership thereon, have received per diems for attending meetings held since its establishment.

Also, Ms. Arianna Huffington and Mr. John Paton received 52,424 euros each as fixed allocation for their membership on the Board of Directors of Diario El País S.L.

Executive directors:

i. Compensation earned by the Chairman of the Board of Directors and Delegated Commission:

Mr. Juan Luis Cebrián earned annual fixed compensation in cash and variable annual compensation based on objectives, payable in cash in 2016.

Also and as it is indicated in section A.4 above, Mr. Cebrian is entitled to receive, in January 2016, a plurianual variable incentive, payable in shares of PRISA, for a total of 60,311 shares.

As already indicated in section A.10 above, the Company paid 48,000 euros for rental housing at a disposal of Mr. Cebrián.

ii. Compensation earned by the CEO

Mr. Jose Luis Sainz earned annual fixed compensation in cash and an annual variable compensation based on objectives, payable in cash in 2016.

In addition, it is noted that Mr. Sainz in 2015 was paid the cycle II, 2012/2014 period, long-term incentive (ILP) approved by the board in June 2011. The compensation he has received in this category (368,503 shares of PRISA), was settled in 2015, for the performance of the previous functions as executive of Prisa Noticias and Prisa Radio, and is not reflected in section D of this report. The report of this compensation was made in the last Compensation Report (corresponding to the 2014 exercise and that was approved in 2015), following accrual criterion set by the CNMV.

iii. Compensation earned by the Executive Deputy Chairman

Mr. Polanco earned annual fixed compensation in cash and, in addition, variable annual compensation based on objectives (payable in cash in 2016).

Payment of the variable annual compensation of the executive directors:

The annual variable compensation earned in 2015 and payable in 2016 has quantitative objectives in respect to consolidated Group.

For 2015, the quantitative and qualitative targets pondered follows:

Executive Director	Quantitative Targets	Qualitative Targets
Mr. Juan Luis Cebrián Echarri	60%	40%
Mr. Manuel Polanco Moreno	80%	20%
Mr. Jose Luis Sainz Díaz	70%	30%

The quantitative targets of the annual bonus were directly linked to a scale that associated the degree of completion of the objectives with the percentage incentive applicable to the target amount of the variable bonus agreed at the start. Scales with independent metrics were established, requiring a minimum degree of completion for each metric. Scales were established with independent metrics, requiring minimum achievement of each metric. The maximum payment was 120% for all the metrics except for transformation revenue (digital revenue, new businesses, etc.), where the maximum payment was 130%.

The qualitative part of the annual bonus allowed the evaluators to assess performance negatively when it was considered that the executive director had taken excessive risk and to take account of the level of achievement of strategic plans, budgets, refinancing and, in particular, the planned milestones and debt reduction.

As for determination of the 2015 bonus, se ha realizado utilizando el siguiente sistema de métricas independientes, con unos determinados indicadores u objetivos cuantitativos, a cada uno de los cuales se le aplica una escala de logro de objetivos:

Targets	Mr. Juan Luis Cebrián Echarri	Mr. Manuel Polanco Moreno	Mr. Jose Luis Sainz Díaz Officer):
1	EBITDA of the Group	EBITDA of the Group	EBITDA of the Group
2	Incomes from the transformation of the Group	Incomes from the transformation of the Group	Incomes from the transformation of the Group

The aggregate weighting of the aforesaid indicators is 60%-80% for achievement of 100% of the established objectives. In addition, there is a qualitative objective with a weighting of 20%-40%, which is determined by the Board of Directors on proposal of the Nominating and Compensation Committee.

Payment of the annual bonus is made after the end of the year. For this reason the bonus earned in 2015 by the executive directors, in accordance with the aforesaid rules and determined by the Board of Directors, on proposal of the Nominating and Compensation Committee, will be paid as follows:

i) The bonus of Mr. Juan Luis Cebrián Echarri, will be paid entirely in cash in 2016.

The variable remuneration of the Chairman is divided into 60% for quantitative targets (35% EBITDA of the Group, 25% income group transformation group) and 40% qualitative objectives linked to the fulfilment of strategic plans, budgets and refinancing of the company and in particular the milestones included in refinancing and debt reduction.

As established in the contract the target was 1,000,000 euros, the aggregate amount of achievement being 971,907 euros.

This amount corresponds to achieving 97.19% of the company's targets: 57.19% for achievement of the quantitative objectives (that part is objective) and 40% regarding the qualitative evaluation (valuation of achieving goals previously established).

With regards to the qualitative assessment, the Nomination and Remuneration Committee and the Board of Directors have had sufficient and indisputable criteria for assessing the professional performance of Mr Cebrian in 2015.

It is especially worth highlighting the Chairman's personal involvement and professional performance in ensuring that the main strategic objective for 2015 (the sale of DTS to Telefónica) was successfully completed and within the parameters established by the Board of Directors, with more than 90% of the sale price having been received as at the issue date of this report.

In addition, the Chairman has led the efforts to increase the company's capital, which has resulted in the €64,000,000 capital increase with a premium of €44,800,000, fully subscribed by the investor International Media Group. This investment has given an important boost to the group's plans to reduce its debt and the digital transformation process.

The aforementioned two transactions have provided the company with funds that have been used to buy back debt at significant discounts.

Milestones 1 and 2 of the refinancing plan were completed in 2015, one year ahead of schedule, having reduced the group's debt by more than €1.6 billion.

The transaction led by the Chairman in 2015 is also worth noting, which was completed in January 2016, through which the company reached a binding agreement with several of its principal creditors to issue bonds that will be convertible into ordinary PRISA shares by exchanging a minimum of €100,185,050 and a maximum of €150,000,000 of the company's financial debt. The bonds will have a two year duration and a unit conversion price of €10 per PRISA share. This transaction, in addition to the capital increases approved in the last two years, will significantly contribute to restructuring the group's financial situation.

Lastly, the Chairman has played a key role in defining the group's new digital strategy, actively participating in the Digital Transformation Committee and leading important strategic alliances with companies such as Google and Microsoft.

Consequently, the Committee unanimously agrees that there are objective reasons to justify granting him the 40% of the qualitative part of his variable compensation, namely €400,000.

The proposed total annual variable compensation for the Chairman of Prisa is therefore €971,907

ii) The bonus of Mr. Jose Luis Sainz Díaz, will be paid entirely in cash in 2016:

As established in the contract the target amounted to 750,000 euros, being the amount accrued for this period of 725,437 euros.

This amount corresponds to a 96.72% completion of the company's targets: 66.72% for achieving the quantitative targets and 30% for the qualitative evaluation.

In relation to the qualitative evaluation, the Nominating and Compensation Committee and the Board of Directors have had sound criteria to assess Mr Sainz's professional performance in 2015. Specifically, the annual budget for the year has been fulfilled for the first time since 2008 and the digital transformation process has made definitive progress, while reinforcing the technology and sales teams in the group's sales area. The CEO has led the day-to-day management of the group, fulfilling the guidelines set by the Board and the approved budget at all times. He has also ensured that the businesses, all of which are going through a comprehensive transformation process, have stayed within their respective budgets, generating important increases in digital revenues while significantly reducing costs.

Furthermore, the CEO has actively participated in the process of reducing the group's debt and obtaining major discounts in debt buyback transactions. Lastly, the CEO has participated in the negotiations with certain creditors to subscribe a convertible bond issue under highly favourable conditions for the company.

iii) The bonus of Mr. Manuel Polanco Moreno, will be paid entirely in cash in 2016, as follows:

As established in the contract the annual target was 275,000 euros, the accrued amount of achievement in this period being 264,673 euros.

This amount corresponds to a 96.24% completion of the company's targets: 76.24% for achieving the quantitative targets and 20% for the qualitative evaluation.

In relation to the qualitative evaluation, the Nominating and Compensation Committee and the Board of Directors have highlighted the role that the Vice-chairman has played in the transition period that concluded with the withdrawal of the DTS group from Grupo Prisa's scope of consolidation. As Chairman of DTS and head of the group's audiovisual area, Mr Polanco has ensured that the different teams have cooperated during the interim period, from the moment that the sale of DTS was agreed through to the actual transfer to Telefónica. Furthermore, the Vice-chairman has laid the foundations for the group's new audiovisual division, which is focused on video production, digital channels and audiovisual content, which will also be developed in the international market.

D. DETAILS OF COMPENSATION INDIVIDUALLY EARNED BY EACH OF THE DIRECTORS

Name	Type	Period Accrued
JUAN LUIS CEBRIÁN ECHARRI	Executive	From 01/01/2015 to 31/12/2015
MANUEL POLANCO MORENO	Executive	From 01/01/2015 to 31/12/2015
JOSE LUIS SAINZ DIAZ	Executive	From 01/01/2015 to 31/12/2015
ROBERTO LAZARO ALCANTARA ROJAS	Representing Significant Shareholdings	From 01/01/2015 to 31/12/2015
AGNES NOGUERA BOREL	Representing Significant Shareholdings	From 01/01/2015 to 31/12/2015
BORJA JESÚS PEREZ ARAUNA	Representing Significant Shareholdings	From 01/01/2015 to 31/12/2015
JOHN PATON	Independent	From 01/01/2015 to 31/12/2015
ERNESTO ZEDILLO PONCE DE LEÓN	Independent	From 01/01/2015 to 31/12/2015
ARIANNA HUFFINGTON	Independent	From 01/01/2015 to 31/12/2015
JOSÉ LUIS LEAL MALDONADO	Independent	From 01/01/2015 to 31/12/2015
GREGORIO MARAÑÓN BERTRAN DE LIS	Independent	From 01/01/2015 to 31/12/2015
ALAIN MINC	Independent	From 01/01/2015 to 31/12/2015
CLAUDIO BOADA PALLERÉS	Other External	From 01/01/2015 to 31/12/2015
KHALID BIN THANI BIN ABDULLAH AL THANI	Representing Significant Shareholdings	From 18/12/2015 to 31/12/2015
JOSEPH OUGHOURLIAN	Representing Significant Shareholdings	From 18/12/2015 to 31/12/2015
JUAN ARENA DE LA MORA	Independent	From 01/01/2015 to 23/10/2015
FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Other External	From 01/01/2015 to 27/03/2015
EMMANUEL ROMAN	Independent	From 01/01/2015 to 27/03/2015

D.1 Complete the following tables regarding the individual compensation of each of the directors (including compensation for performance of executive duties) earned during the period.

a) Compensation accrued within the reporting company:

i) Cash compensation (in thousands of euros)

NAME	SALARIES	FIXED COMPENSATION	PER DIEMS	SHORT-TERM VARIABLE COMPENSATION	LONG-TERM VARIABLE COMPENSATION	COMPENSATION FOR MEMBERSHIP ON BOARD COMMITTEES	INDEMNIFICATION	OTHER CATEGORIES	TOTAL 2015	TOTAL 2014
JUAN LUIS CEBRIAN ECHARRI	1.000			972				89	2,061	1,878
MANUEL POLANCO MORENO	307			265				2	574	0
JOSE LUIS SAINZ DIAZ	750			725				5	1,480	336
AGNES NOGUERA BOREL		45	37			19			101	112
BORJA JESUS PEREZ ARAUNA		45	30			10			85	89
ROBERTO LAZARO ALCANTARA ROJAS		45	20			75			140	132
JUAN ARENA DE LA MORA		62	33			8			103	152
CLAUDIO BOADA		75	33			9			117	118
ARIANNA HUFFINGTON		45	5			10			60	70
JOSE LUIS LEAL MALDONADO		75	17			10			102	117
GREGORIO MARAÑON BERTRAN DE LIS		45	57			94		91	287	200
ALAIN MINC		45	75			103			223	196
EMMANUEL ROMAN		11	10			2			23	94
ERNESTO ZEDILLO PONCE DE LEON		45	28			19			92	106
JOHN PATON		75	35			0			110	91
JOSEPH OUGHOURLIAN		3	2			0			5	0
KHALID BIN THANI BIN ABDULLAH AL THANI		3	2			0			5	0
FERNANDO ABRIL- MARTORELL HERNANDEZ		19	8			2		250	279	1,442

(Free translation from the original in Spanish language)

ii) Compensation schemes based on shares

ALAIN MINC												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY					Assigned Options during 2014 FY						
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			
27/11/2010	0	0	0.00	0		0	0	0.00	0			
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nª Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
3,941	0.00	30	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

EMMANUEL ROMAN												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY					Assigned Options during 2014 FY						
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			
27/11/2010	0	0	0.00	0		0	0	0.00	0			
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nª Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
688	0.00	8	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

GREGORIO MARANON BERTRAN DE LIS												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY					Assigned Options during 2014 FY						
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			
27/11/2010	0	0	0.00	0		0	0	0.00	0			
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nª Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
3,448	0.00	30	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

(Free translation from the original in Spanish language)

ERNESTO ZEDILLO PONCE DE LEÓN												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY						Assigned Options during 2014 FY					
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		
27/11/2010	0	0	0.00	0			0	0	0.00	0		
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nª Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
3,793	0.00	30	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

AGNES NOGUERA BOREL												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY						Assigned Options during 2014 FY					
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		
27/11/2010	0	0	0.00	0			0	0	0.00	0		
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nª Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
3,448	0.00	30	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

BORJA JESUS PEREZ ARAUNA												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY						Assigned Options during 2014 FY					
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		
27/11/2010	0	0	0.00	0			0	0	0.00	0		
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nª Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
3,448	0.00	30	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

(Free translation from the original in Spanish language)

ARIANNA HUFFINGTON												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY						Assigned Options during 2014 FY					
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		
27/11/2010	0	0	0.00	0			0	0	0.00	0		
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nº Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
3,793	0.00	30	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

ROBERTO LAZARO ALCANTARA ROJAS												
Fixed Annual Remuneration (40%) for participating in the Board												
Implement. Date	Ownership of Options beginning of 2014 FY						Assigned Options during 2014 FY					
	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise			Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise		
27/11/2010	0	0	0.00	0			0	0	0.00	0		
Conditions: 0												
Shares delivered in the 2014 FY			Options Exercised in the 2014 FY				Options sold and not exercised	Operations at end of 2014 FY				
Nº of Shares	Price	Amount	Exercise Price (€)	Nº Options	Shares Affected	Gross Profit (M€)	Nº Options	Nº Options	Shares Affected	Exercise Price (€)	Deadline for Exercise	
3,793	0.00	30	0.00	0	0	0	0	0	0	0.00	0	
Other requirements to exercise: 0												

iii) Long-term savings schemes

Not applicable

iv) Other benefits (€ 000s)

GREGORIO MARAÑÓN Y BERTRÁN DE LIS			
Remuneration in the form of advances, loans granted			
Transaction interest rate		Essential characteristics of the transaction	Amounts eventually returned
0,00		None	None
Life assurance premiums		Security given by the company in favour of the directors	
Year 2015	Year 2014	Year 2014	
1	1	None	

MANUEL POLANCO MORENO	
Remuneration in the form of advances, loans granted	

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Transaction interest rate		Essential characteristics of the transaction	Amounts eventually returned
0,00		None	None
Life assurance premiums		Security given by the company in favour of the directors	
Year 2015	Year 2014	Year 2015	Year 2014
2	0	None	None

JUAN LUIS CEBRIAN ECHARRI			
Remuneration in the form of advances, loans granted			
Transaction interest rate		Essential characteristics of the transaction	Amounts eventually returned
0,00		None	None
Life assurance premiums		Security given by the company in favour of the directors	
Year 2015	Year 2014	Year 2015	Year 2014
41	20	None	None

JOSE LUIS SAINZ DIAZ			
Remuneration in the form of advances, loans granted			
Transaction interest rate		Essential characteristics of the transaction	Amounts eventually returned
0,00		None	None
Life assurance premiums		Security given by the company in favour of the directors	
Year 2015	Year 2014	Year 2015	Year 2014
5	1	None	None

b) Compensation accrued by directors of the company for membership on boards of other group companies:

i) Cash compensation (€ 000s):

Name	Salary	Fixed compensation	Per diems (Board and Committees)	Short term variable compensation	Long term variable compensation	Compensation for membership on Board Committees	Indemnification	Other Categories	Total 2015	Total 2014
MANUEL POLANCO MORENO	153	0	0	0	0	0	0	2	155	736
ARIANNA HUFFINGTON	0	52	0	0	0	0	0	0	52	51
JOHN PATON	0	52	0	0	0	0	0	0	52	51

ii) Compensation schemes based on shares:

iii) Long-term savings schemes

Not applicable

iv) Other benefits (€ 000s)

(Free translation from the original in Spanish language)

MANUEL POLANCO MORENO				
Remuneration in the form of advances, loans granted				
Transaction interest rate		Essential characteristics of the transaction		Amounts eventually returned
0,00		None		None
Life assurance premiums		Security given by the company in favour of the directors		
Year 2015	Year 2014	Year 2015		Year 2014
2	5	None		None

c) Summary of compensation

NAME	Compensation accrued in the Company				Compensation accrued from group companies				TOTAL		Contribution to savings schemes during period
	CASH COMPENSATION	COMPENSATION IN SHARES	GROSS PROFIT ON OPTIONS	TOTAL Company 2015	CASH COMPENSATION	NUMBER OF SHARES GRANTED	GROSS PROFIT ON OPTIONS	TOTAL Group Companies 2015	TOTAL 2015	TOTAL 2014	
JUAN LUIS CEBRIAN ECHARRI	2,061			2,061					2,061	1,878	
MANUEL POLANCO MORENO	574			574	155			155	729	736	
JOSE LUIS SAINZ DIAZ	1,480			1,480					1,480	662	
AGNES NOGUERA BOREL	101	30		131					131	142	
BORJA JESUS PEREZ ARAUNA	85	30		115					115	119	
ROBERTO LAZARO ALCANTARA ROJAS	140	30		170					170	158	
JUAN ARENA DE LA MORA	103			103					103	152	
CLAUDIO BOADA PALLERES	117			117					117	118	
ARIANNA HUFFINGTON	60	30		90	52			52	142	151	
JOSE LUIS LEAL MALDONADO	102			102					102	117	
GREGORIO MARAÑON BERTRAN DE LIS	287	30		317					317	230	
ALAIN MINC	223	30		253					253	226	
EMMANUEL ROMAN	23	8		31					31	124	
ERNESTO ZEDILLO PONCE DE LEON	92	30		122					122	136	
JOHN PATON	110			110	52			52	162	142	
JOSEPH OUGHOURLIAN	5			5					5	0	
KHALID BIN THANI BIN ABDULLAH AL THANI	5			5					5	0	
FERNANDO ABRIL-MARTORELL HERNANDEZ	279			279					279	2,201	

D.2 Report on the relationship between compensation obtained by directors and the results or other measures of profitability of the entity, if applicable explaining how the changes in profitability of the company may have influenced changes in compensation of directors.

The Company amends its variable compensation policy annually to adapt it to the results thereof.

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- i. The compensation accrued by the Chairman of the Board of Directors and the Delegated Commission, Mr. Juan Luis Cebrián Echarri, for achievement of the 2015 objectives amounted to 971,907 euros.
- ii. The compensation accrued by the CEO, Mr. Jose Luis Sainz Díaz, for achievement of 2015 objectives, amounted to 725,437 euros.
- iii. The compensation accrued by Deputy Chairman Mr. Manuel Polanco Moreno for achievement of 2015 objectives amounted to 264,673 euros.

D.3 Report on the result of the advisory vote of the general meeting on the annual report and compensation for the prior period, indicating the number of negative votes, if any:

	Number	% of total
Votes cast	1,130,521,860	00.00%

	Number	% of cast
Votes against	99,344,965	.79%
Votes for	993,629,282	7.89%
Abstentions	37,547,613	.32%

E OTHER INFORMATION OF INTEREST

If there is any relevant aspect of director compensation that it has not been possible to include in the other sections of this report, but that it is necessary to include in order to set forth more complete and reasoned information regarding the compensation practices and structure of the company as regards its directors, briefly explain.

1. Appointments and resignations during 2015:

Mr. Fernando Abril-Martorell and Mr. Emmanuel Roman ceased as directors in March 27 2015, and Mr Juan Arena ceased as director in October 23 2015.

D. Khalid Bin Thani Bin Abdullah Al Thani and D. Joseph Oughourlian were co-opted onto the Board by resolution of the Board of Directors dated 18 December 2015.

2. The amount of the total compensation of directors appearing in section D of this report, which follows the accrual criterion fixed in "CNMV Circular 4/2013, establishing the model annual report of compensation of directors of listed public limited companies", differs from the total amount of compensation of directors appearing in the Notes to the Financial Statements and Semi-annual Financial Information for 2015, which correspond to accounting provisions.

3. As indicated in section A.4 of this report, the executive directors have various kinds of long-term compensation. Since earning such compensation is conditioned on satisfaction of certain conditions there

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has been no accrual of any amount in some of those categories in 2014. Therefore they have not been reflected in the tables under heading D in this report, without prejudice to the accounting expenses recorded in the income statement:

- i. Variable multi-year incentive of Mr. Jose Luis Sainz Díaz, recognised in his contract with PRISA, for 2014-2016. As it has not accrued, it is not included in the tables under heading D in this report.
- ii. Long-Term Incentive (ILP) of Mr. Manuel Polanco, approved at the shareholders meeting of April 2014, to be settled in 2017 by virtue of achievement of the approved objectives. As it has not accrued, it is not included in the tables under heading D in this report.

Also, regarding the compensation settled in shares in 2015 for the second cycle (2012-2014 period) of the Long-Term Incentive (ILP) approved at the shareholders meeting of June 2011, of which Mr. José Luis Sainz was a beneficiary, it is noted that the aforesaid compensation is not included in the tables in section D of this report, because it was settled (not accrued) in 2015.

4. Regarding the information contained in table ii) under headings D.1.a) of this report (Compensation schemes based on shares accrued in the Company object of this report), the following is noted:

i) Although the compensation of external directors includes a fixed amount by way of delivery of shares, the gross amount of which is the same for all directors, the number of shares allotted varies because it depends on the withholding percentages applicable to each of them;

ii) Within "shares delivered during 2015" there are shares earned in 2015, although at 31 December 2015 they had not been delivered in full.

iii) The price of the "shares delivered during 2015" to external directors is not a single price. There are four prices, corresponding to each of the quarters of 2015 (€0.304, €7.823, €4.905 and €5.381) On 22 May 2015 the reverse split and exchange of shares of PRISA, in which shareholders received one new share with a nominal value of €3 for every 30 old shares, each with a nominal value of €0.10 per share, came into effect. The unit price of €0.304 refers to the old shares and is the closing price of the share in the continuous market in the first quarter of 2015, that is, before the abovementioned reverse split and exchange of shares. However, the shares actually delivered to directors based on said value have been calculated proportionally, taking said reverse split and exchange of shares into account.

iv) In relation to the multi-year variable compensation of Mr Juan Luis Cebrián Echarri, payable in company's shares in 2016 (see Section A.4 of this report), no amount has been included in the tables of points D.1.a.ii) and D.1.c) because as at the date of this report the share price at the time of allocating the shares is not yet known, since this will occur during 2016.

5. Regarding the information contained in table iv) under headings D.1.a) and D.1.b) of this report (Other Benefits), the following is noted:

i) The figures indicated in the column called "Life Insurance Premiums" include not only the premiums paid in this category, but also those corresponding to the Health and Accident Policy, since there is no specific section of this report in which they can be declared.

ii) Also included is the amount of 250 thousand euros that Mr. Fernando Abri-Martorell accrued in 2015, as compensation for the contractual noncompetition agreement, activated after resigning from his position as CEO on September 2014 of the Company. The amount of €333,320 corresponding to this category was paid in twelve equal instalments over the period for which the noncompetition undertaking established.

iii) The 91 thousand euros earned by Gregorio Marañón include 90 thousand euros which, as already mentioned in section A.8, relate to the provision of legal advisory services to the Company and not to any compensation for being a director.

6. In relation to the column "Contribution to savings schemes during the year", it should be noted that no contribution was made to such schemes during the year, as already indicated in section A.5 of the report: in

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2014 the Company recorded a provision that covered the total amount (€6,000,000) of the retirement benefit of the executive chairman, Mr. Juan Luis Cebrián.

This annual compensation report was approved unanimously by the Board of Directors of the Company at its meeting of 26 February 2016.

State whether there are any directors who voted against or abstained from voting to approve this report.

No X

Names of the members of the Board of Directors not voting in favour of approval of this report	Reason (opposed, abstained, not in attendance)	Explain the reason

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