



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

The Board of Directors of PRISA of PROMOTORA DE INFORMACIONES, S.A. (PRISA) issues this report in compliance with Article 528 of the Capital Companies Act [*Ley de Sociedades de Capital*], and with regard to item seven on the agenda of the General Ordinary Shareholders Meeting to be held on March 31, 2016 on the initial call or, in the event that a sufficient quorum is not obtained, on April 1, 2016, in the same place on the second call.

The Board of Directors of PRISA, following a report from the Corporate Governance Committee and the Audit Committee (with regard to matters affecting this Committee), in accordance with article 3 of the Board of Directors Regulation and article 528 of the Capital Companies Act [*Ley de Sociedades de Capital*], in its meeting held on 18 December 2015 resolved to approve the amendment of the following articles of the Board of Directors Regulation, to incorporate certain aspects contained in the recommendations of the Code of Good Governance for listed companies approved by the Comisión Nacional del Mercado de Valores (CNMV) in February 2015 (Code of Good Governance):

Article 12 (Coordinating Director): This article has been modified to give the following duties to the Coordinating Director, as provided for in recommendation 34 of the Code of Good Governance:

- i. Chair the board of directors in the absence of the chairman or vice chairmen, if any.
- ii. Give voice to the concerns of non-executive directors.
- iii. Coordinate the chairman's succession plan.

The wording of Article 12 is as follows:

“Article 12 .- Coordinating Director.

1. *If the Chairman is an executive Director, the Board of Directors, with the abstention of the executive Directors and on proposal of the Corporate Governance Committee, must appoint a Coordinating Director from among the independent Directors, who will be specifically empowered to:*

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- i. *request a call of the Board of Directors or inclusion of new points on the agenda for a Meeting already called;*
 - ii. *chair the board of directors in the absence of the chairman or vice chairmen, if any;*
 - iii. *coordinate and meet with the non-executive Directors and give voice to the concerns of non-executive directors;*
 - iv. *if applicable, to lead the periodic evaluation of the Chairman of the Board of Directors;*
 - v. *coordinate the chairman's succession plan.*
2. *The position as Coordinating Director will be exercised for a maximum term of two years, with re-election permitted."*

Article 24 (Removal of Directors): The wording of this article has been adequate to the recommendation 22 of the Code of Good Governance, having provided that:

- i. In general terms, 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 when a director is indicted or tried for any of the offences stated in company legislation.
- ii. Notwithstanding the foregoing, Directors must to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

The wording of article 24 is as follows:

"Article 24.- Removal of Directors.

1. *Directors will leave office at the end of the term for which they were appointed, or when so decided by the General Meeting in use of the authority granted to it by law or the Articles.*
2. *Directors must tender their resignation to the Board of Directors and, if the Board deems it to be appropriate, resign, in 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 a director is indicted or tried for any of the offences stated in company legislation .*

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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.*
- 3. The Board of Directors will not propose the removal of any independent Director prior to completion of the term of office specified in the Articles for which the director was appointed, except when the Board finds that there is just cause after a report from the Appointment and Remuneration Committee. In particular, just cause will be deemed to exist when the Director has breached the duties inherent in the position.*
- 4. Committee members will leave office when they leave office as Directors.”*

Article 27 (Audit Committee): This article has been modified to include, within the powers of the Audit Committee, the evaluation of all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks, in accordance with the recommendation 53 of Good Governance Code.

The amendment of this article was also informed by the Audit Committee, as its functions were affected.

The wording of article 27 is as follows:

“Article 27.- Audit Committee.

- 1. The Audit Committee will be comprised of the number of Directors from time to time determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5). All members of the Audit Committee will be non-executive Directors. At least two (2) of the members of the Committee will be independent, and at least one of them*

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must be appointed taking account of his knowledge and experience in accounting, auditing or both.

- 2. The appointment and removal of Committee members will be carried out by the Board of Directors on proposal of the Chairman.*

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

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

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

- 3. The Audit Committee will have the competencies contained in the regulations applicable from time to time.*

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.

- 4. The Audit Committee will establish and supervise a mechanism allowing communication to the Audit Committee of irregularities of potential significance, particularly financial and accounting irregularities, discovered within the company. In the case of reports from employees of the Company or its Group, this mechanism will provide for confidentiality and, if deemed to be appropriate, anonymity of the reports.*

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

- 6. Any member of the management team or employee of the company is required to attend the meetings of the committee, whenever requested to do so, to collaborate with it and provide access to any information it may have. The Committee may also require that the statutory auditors attend its meetings.”*

Article 29 (Corporate Governance Committee): This article has been modified to include the monitoring and evaluation of the company’s interaction with its stakeholder groups within the competences of the Corporate Governance Committee, in accordance with the recommendation 53 of the Code of Good Governance.

The wording of article 29 is as follows:

“Article 29.- Corporate Governance Committee.

(Free translation from the original in Spanish language)

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

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

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

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

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

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

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

5. *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 consolidated text of the Board of Directors Regulation which includes the above modifications is available on the corporate website www.prisa.com

26 February 2016

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