Directors Remuneration Policy approved by the General Shareholders Meeting held on June 30, 2017
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1. Introduction and period of validity of the Remuneration Policy.

The Board of Directors of Promotora de Informaciones, S.A. (hereinafter, “PRISA” or “the Company”) hereby submits this Directors Remuneration Policy for approval at the General Shareholders’ Meeting convened for 29 June 2017 at first call or, if an insufficient quorum is reached, on 30 June 2017 at second call.

This Directors Remuneration Policy was proposed by the Company’s Appointment and Remuneration Committee and is accompanied by a special report drawn up by this committee as per Article 529 novodecies of the Capital Companies Act (“LSC” for its initials in Spanish). Both documents are available to shareholders on the Company’s website as from the date on which the General Meeting is called.

Pursuant to Article 529 novodecies of the Spanish Capital Companies Act, the Directors Remuneration Policy must be approved as a separate agenda point by the General Shareholders’ Meeting at least every three years.

If this Directors Remuneration Policy is approved by the General Shareholders’ Meeting, it will be in force for 2017, 2018 and 2019, replacing and rendering null and void the Directors Remuneration Policy approved by the Ordinary General Shareholders’ Meeting in April 2015, which was in force for three years (until 2017, inclusive).

Any amendment or replacement of this Policy during the period in which it is in force would require prior approval by the General Shareholders’ Meeting, following the procedure established for its approval.

2. General principles of the Directors Remuneration Policy.

This Directors Remuneration Policy complies with the general regime of the board remuneration scheme stipulated in PRISA’s Articles of Association (Article 22) and Board of Directors’ Regulation (Articles 33, 34 and 25).

The remuneration scheme is different for executive and non-executive directors and aims to attract, retain and motivate candidates with the right profile to perform the duties inherent to sitting on the board of directors of a company with the characteristics and specific features of PRISA, considering their responsibilities. The Directors Remuneration Policy aims to contribute to fulfilment of the Company’s strategic objectives within the framework in which it conducts its business, pursuant to prevailing legislation.
The directors may receive a part of their compensation by way of delivery of shares of the Company. Deliveries of shares made to directors until April 2019 are covered by a resolution adopted by the Ordinary General 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.

Restrictions are imposed on the transfer of such securities for directors who may be privy to inside information.

Additionally, there are certain restrictions on the transfer of shares received by directors as part of their compensation.

i) External directors that receive shares in payment of their fixed compensation are required to hold them until leaving their positions as directors.

ii) In the case of shares received as remuneration, the executive directors may not transfer ownership of an amount of such shares equivalent to two times their annual fixed remuneration, until at least two years have elapsed since allocation.

The aforementioned restrictions don’t apply if a director has to dispose of such shares to cover any acquisition-related costs.

As provided in article 217 of the Capital Companies Act, at the Appointments and Remuneration Committee’s request, the Board of Directors will review the Directors Remuneration Policy annually to ensure board remuneration is proportionate to the Company’s size and economic situation. The criteria adopted to determine the various components of a board compensation package will be drawn up according to the strategic objectives set by the Board of Directors, best market practices and prevailing legislation.

3. Remuneration policy applicable to directors for serving on the Board (non-executive directors)

3.1. Articles of Association provisions:

Pursuant to Article 22 of the Articles of Association, board remuneration will comprise a fixed annual fee. Each director’s remuneration may vary according to his/her position, duties, responsibilities and services performed on the board committees. It will be compatible with the payment of meeting attendance fees.

The Board will be responsible for establishing the exact amount of any per diems, and the specific remuneration that each director must receive, adhering at all times to the caps set by the General Shareholders’ Meeting and components of remuneration defined in the Articles of Association.

3.2. Remuneration cap:
Total remuneration of the Board of Directors payable to directors for serving on the Board may not exceed the annual cap set by the General Shareholders' Meeting, as provided in article 22 of Articles of Association.

The General Shareholders’ Meeting held on 27 November 2010 established annual maximum fixed compensation for the Board of Directors of €2,000,000.

This cap will remain in effect until the General Shareholders’ Meeting approves an amendment thereof.

3.3. Components of remuneration:

Respecting the aforesaid cap, the Board of Directors will set compensation payable to each director for serving on the Board, based on the functions and responsibilities assigned to each of them, positions held on the board committees, duties performed, and other objective circumstances that are of significance. The Board will also ensure that external director compensation is set as per the following guidelines:

i. The external director must be remunerated according to their actual time commitments.

ii. Independent directors’ compensation must be calculated so that it offers incentives for time commitment, without undermining their independence.

The policy for the remuneration of non-executive directors may also include all or some of the following components of remuneration, which the Company currently pays:

i. Fixed annual compensation for membership on the Board of Directors:

   Compensation in this category currently amounts to €75,000 per annum. This compensation is paid to each of the external directors, at they so choose, either fully in cash or 60% in cash and 40% in PRISA shares.

   When a director chooses partial payment in PRISA shares, 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 contributions are paid monthly, also on a prorated basis.

   As already indicated, external directors receiving shares in payment of their fixed compensation are required to hold them until standing down as directors.

ii. Fixed annual compensation for membership on various board committees:
o Fixed annual compensation for membership on the Delegated Commission: the compensation in this category currently amounts to €75,000 per annum and is paid on a prorated basis, monthly in cash.

o Fixed annual compensation for membership on the Audit Committee, Appointment and Compensation Committee, Corporate Governance Committee and Strategic Digital Change Committee: the compensation in this category currently amounts to €19,000 per annum for the chairmen and €9,500 per annum for members, and is paid monthly in cash, on a prorated basis.

iii. Per diems for attendance at meetings of the Board of Directors and its committees: directors may receive fees for attending meetings of all or some of these bodies and the amount of the per diems may be different for their chairmen and for their members, and is paid fully in cash. Per diems for attendance at meetings currently amount to €5,000 for chairmen of the board committees and €2,500 for members of the Board, the Delegated Commission and the board committees.

The Board of Directors is authorised to establish the components of remuneration for non-executive directors, and the amounts payable for these components, according to the Company’s circumstances at the time and as per Appointment and Remuneration Committee recommendations.

When exercising its powers, the Board must respect the following:

- The provisions laid down in the Articles of Association and this Directors Remuneration Policy;

- The amounts the Company currently pays non-executive directors as fixed compensation and per diems, pursuant to sections i), ii) and iii) above, shall be considered as the caps that cannot be exceeded in any circumstances.

In addition, 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.

The Directors Remuneration Policy does not govern the granting of loans advances or guarantees. It also does not cover non-executive director participation in pension schemes or the right to compensation in the event of removal from their directorships, or the awarding of any compensation other than that described in section 3.3.

The Company has public liability insurance cover for its directors.

4. Remuneration policy applicable to executive directors

4.1. Articles of Association provisions
Pursuant to Section 7 of Article 22 of PRISA’s Articles of Association, Directors with executive functions are entitled to receive remuneration for performing these functions. Such compensation is set by the Board of Directors in accordance with the provisions of the Directors Remuneration Policy and it is stipulated in the employment contracts between each executive director and the Company.

The components of executive director remuneration and the basic conditions for performing their functions must be set out in a contract signed by the Company and the director. This contract must be previously approved by the Board of Directors, with the abstention of the director in question, and by a majority of two-third of the Board.

4.2. Components of remuneration:

Executive directors receive no amount in the categories set forth in section 3.3. (fixed compensation for membership on the Board and its committees and per diems for attending meetings thereof).

The executive directors’ compensation may include the following components of remuneration:

- fixed salary;
- annual variable compensation;
- long-term variable compensation;
- social benefit; and
- in kind compensation.

4.2.1. Fixed compensation.

The executive directors will receive for their executive and senior management functions, fixed annual compensation in cash, which is determined by their respective contracts, and which currently amounts to the following maximum considerations, as per the respective contracts:

i. Mr. Juan Luis Cebrián Echarri: €1,000,000.

ii. Mr. Manuel Polanco Moreno: €460,420.

iii. Mr. José Luis Sainz Díaz: €750,000.

4.2.2. Variable compensation.

Part of the executive directors’ remuneration will be variable, with a view to strengthening their commitment to the Company and incentivise better performance. The executive directors’ variable compensation will comprise a significant part of their remuneration, and will be linked to achieving pre-established objectives that are specific and quantifiable.
Multi-year variable remuneration will be settled in Company’s shares. As stated, in the case of shares received by executive directors as remuneration, ownership of an amount of such shares equivalent to two times their annual fixed remuneration may not be transferred, until at least two years have elapsed from the date of allocation. This restriction does not apply if a director has to dispose of such shares to cover any acquisition-related costs.

Executive director objectives are signed off each year by the Board of Directors based on a proposal by the Appointment and Remuneration Committee. As per a proposal from this committee, the Board of Directors is also responsible for assessing the degree of fulfilment of the previously established objectives.

4.2.2.1. Short-term variable compensation.

The annual variable compensation consists of a bonus scheme related to 100% fulfilment of management objectives.

The objectives that have to be met by the executive directors to receive their annual bonus must be quantitative and linked to consolidated operating profits, and will be set by the Board of Directors.

The quantitative objectives of the annual bonus refer to the consolidated group and are tied directly to the compliance scale that relates the level of achievement of the objectives to the percentage incentive that applies to the variable bonus target amount set at the start.

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.

Payment of the annual bonus is made after the end of the year, whereby the bonuses accrued during the year by executive directors will be settled, where applicable, the following year.

The target variable compensation of the executive directors is in accordance with the terms of their respective contracts, and currently amounts to:

- Mr. Juan Luis Cebrián Echarri: €1,000,000.
- Mr. Manuel Polanco Moreno: €275,000.
- Mr. José Luis Sainz Díaz: €750,000.

Once the Directors Remuneration Policy has been approved by the General Shareholders’ Meeting, the objectives for the annual bonus of executive directors will be set by the Board of Directors, as recommended by the Appointment and Remuneration Committee.

4.2.2.2. Long-term variable compensation.

Multi-year variable remuneration will be linked to fulfilment of long-term objectives in order to foster the loyalty and motivation of the individuals assigned these objectives.
This compensation currently differs from one executive director to another:

i) Mr Juan Luis Cebrián Echarri:

According to the terms of Mr. Cebrián’s contract with the Company, for the period 2016/2018 and subject to Mr. Cebrián’s fulfilment of the strategic objectives to be set by the Board of Directors, at the proposal of the Appointment and Remunerations Committee, Mr. Cebrián will receive a gross variable multi-year, non-cash and non-vesting incentive (hereinafter, the Variable Multi-year Incentive) of a maximum of 100,000 shares of the Company, taking a share price of €15 as the basis for that calculation.

ii) Mr José Luis Sainz Díaz:

In accordance with the terms of his contract with the Company and for the 2017-2018 period, Mr. Sainz will be entitled to receive a variable multi-year incentive, payable in PRISA shares, subject to fulfilment of the Company's strategic plans, to be set by the Board of Directors, at the proposal of the Appointment and Remunerations Committee.

The target will be a maximum of 189,329 shares; the reference price of a share being the weighted average price over the thirty days prior to 1 January 2017.

iii) Mr Manuel Polanco Moreno:

Mr. Polanco is not currently a beneficiary of any specific long-term compensation schemes, although he may be entitled to participate in multi-year remuneration plans, provided legal requirements are met.

4.2.2.3. 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.

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

- There is not right to obtain guaranteed annual variable compensation.
- The Board of Directors' Regulations establishes 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.
- Additionally, the contracts of the three executive directors have a clawback clause that will allow the Company to claim reimbursement of items of variable pay where they were awarded based on performance figures that later are found to have been inaccurate. This measure applies 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.

4.2.3. Long-term savings schemes.

The contract signed with the Chairman, Mr. Juan Luis Cebrián Echarri, which entered into effect on 1 January 2014, provides that he is entitled for any of the years 2014, 2015, 2016, 2017 and 2018, to an annual contribution of €1,200,000, as retirement benefit, such as the defined benefit plan. The total contribution therefore shall amount to €6,000,000.

The retirement benefit will be delivered to Mr. Cebrián upon conclusion of his contract and will vest even in the event of early termination of the contract, even if the director gives notice voluntarily.

In the event of early termination of his contract by the Company, as indemnification Mr. Cebrián will only receive the retirement benefit, which will not be compatible with any other kind of indemnification.

If the non-compete clauses in his contract is breached, Mr. Cebrián would have to reimburse the Company in full for the amount received as retirement benefit.

4.2.4. In-kind compensation.

i) 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 external director Mr. Gregorio Marañón y Bertrán de Lis, as well as the family members thereof, respecting the age limits appearing in the corresponding policy.

ii) Home rental:

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

4.3. Advances, loans and guarantees.

The granting of loans, advances or any guarantees to executive directors is not covered.

4.4 Indemnification in the event of termination of executive director’s duties.

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:

i) Mr. Juan Luis Cebrián Echarri:

In the event of early termination of the contract of Mr Juan Luis Cebrián Echarri at the Company’s behest, he will receive exclusively as indemnification the retirement benefit, which will not be compatible with any other kind of indemnification.

ii) Mr José Luis Sainz Díaz:

In the event of unilateral resignation or by simple decision of the Company or its breach, Mr José Luis Sainz Díaz will be entitled to indemnification equivalent to 15 months of fixed and annual variable compensation, as the reference using the last one paid.

iii) Mr Manuel Polanco Moreno:

In the case of unilateral resignation, simple decision of the Company or breach by it, Mr Manuel Polanco Moreno 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.

4.5. Main conditions of contracts of executive directors

The contract currently governing performance of the executive directors’ functions and responsibilities is a commercial agreement and includes clauses
that are commonly included in this type of contract:

<table>
<thead>
<tr>
<th>Term</th>
<th>Chairman Mr. Juan Luis Cebrián Echarri</th>
<th>Deputy Chairman Mr. Manuel Polanco Moreno</th>
<th>CEO Mr. José Luis Sainz Díaz</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term</strong></td>
<td>Until 31 December 2020 (Executive Chairman until 31 December 2018).</td>
<td>Indefinite.</td>
<td>Until 31 September 2019</td>
</tr>
<tr>
<td><strong>Advance notice from the director</strong></td>
<td>Three (3) months. Obligation to pay the Company the compensation corresponding to the period of advance notice not honoured. Receipt of the retirement benefit.</td>
<td>Three (3) months. Obligation to pay the fixed compensation corresponding to the period of advance notice not honoured.</td>
<td></td>
</tr>
<tr>
<td><strong>Indemnification for termination of contract by the Company</strong></td>
<td>Retirement benefit.</td>
<td>Advance notice of three (3) months. Indemnification equivalent to fifteen (15) months of the most recent fixed and variable compensation.</td>
<td>Advance notice of three (3) months. Indemnification equivalent to fifteen (15) months of the most recent fixed and variable compensation.</td>
</tr>
<tr>
<td><strong>Exclusivity and noncompetition clauses</strong></td>
<td>Exclusivity while he is in the position of executive chairman. General prohibition of competition.</td>
<td>Exclusivity and specific prohibition of competition, except for companies identified in the contract.</td>
<td>Exclusivity and specific prohibition of competition, except for companies identified in the contract.</td>
</tr>
<tr>
<td><strong>Post-contractual noncompetition</strong></td>
<td>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.</td>
<td>One (1) year. 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,</td>
<td>One (1) year. 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</td>
</tr>
</tbody>
</table>
5. Other director remuneration for services provided outside their duties as a board member

The Company may remunerate certain directors for providing other services, when so proposed by the Appointment and Remuneration Committee and approved by the Board of Directors.