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REASONED PROPOSAL BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. IN RELATION TO THE AMENDMENT OF THE COMPANY'S DIRECTORS' REMUNERATION POLICY, INCLUDED IN ITEM 5.1 OF THE AGENDA OF THE SHAREHOLDERS' MEETING TO BE HELD ON JUNE 3, 2019

I. Introduction

In accordance with the provisions of article 529 *novodecies* of the revised Spanish Capital Companies Law, approved by Legislative Royal Decree 1/2010 of July 2, 2010 (the "**Capital Companies Law**"), the Board of Directors of Promotora de Informaciones, S.A. (the "**Company**" or "**PRISA**"), based on a report from the Appointments, Remuneration and Corporate Governance Committee ("**ARCGC**" or the "**Committee**") attached hereto as Exhibit, the terms of which are fully ratified by the Board, has drawn up and approved this reasoned proposal for amendment of the Directors' Remuneration Policy of PRISA approved by the Shareholders' Meeting of April 25, 2018, for fiscal years 2018, 2019 and 2020 ("**Remuneration Policy in force**"). This proposal for amendment will be submitted for approval to the Shareholders' Meeting to be held on first call on the 3rd day of June, 2019 or, if the quorum required is not reached, on second call on the 4th day of June, 2019.

II. Validity period

The amendment of the Remuneration Policy in force is partial, so this amendment will not affect its validity period (fiscal years 2018, 2019 and 2020).

Consequently, the amendments that are included in the Remuneration Policy in force as approved by the Shareholders' Meeting of PRISA shall apply, on the terms and conditions established therein, during fiscal years 2019 (with effects from January 1) and 2020.

III. Proposed amendments to the Remuneration Policy

Due to the recent change that has taken place in the composition of the Board of Directors in fiscal year 2019, as a result of the substitution of Mr. Manuel Polanco Moreno by Mr. Javier Monzón de Cáceres as non-executive chairman of the Board of Directors of PRISA (the "**Chairman**"), it is necessary to adapt the Remuneration Policy in force, as it defined the specific remuneration of the former Chairman individually.

The amendment of the Policy that is being proposed to the Shareholders' Meeting as a result of the appointment of the new non-executive chairman maintains the same remuneration scheme for directors, albeit it establishes the new remuneration conditions that will apply to the person who holds the position of non-executive Chairman of the Board.

Other minor technical adjustments and improvements are also made, and the maximum annual amount of remuneration for the directors as a whole, for both executive and non-executive functions, is also stipulated.

IV. New version of the Remuneration Policy

As a result of the amendments indicated herein, the new version of the Remuneration Policy, attached hereto as Exhibit, is proposed. for the approval of the General Shareholders' Meeting.

V. Conclusion

The Board of Directors of PRISA considers that the amendment of the Remuneration Policy in force, on the terms indicated in this reasoned proposal, complies with legislation and permits the Company to have a remuneration policy that suits its current situation and is aligned with the shareholders' interests.

In accordance with article 529 *novodecies* of the LSC, the Board of Directors proposes this amendment to the Shareholders' Meeting for approval. For those purposes, the proposed resolution submitted to the Shareholders' Meeting is the following:

AMENDMENT OF THE DIRECTORS' REMUNERATION POLICY RELATING TO FISCAL YEARS 2018, 2019 AND 2020.

To approve, in accordance with article 529 novodecies of the Capital Companies Law and with the reasoned proposal approved by the Board of Directors (the wording of which has been made available to the shareholders on occasion of the call of the Shareholders' Meeting) accompanied by the required report of the Appointments, Remuneration and Corporate Governance Committee, the amendment of the remuneration policy for the members of the Company's Board of Directors, approved by the Shareholders' Meeting of April 25, 2018 for fiscal years 2018, 2019 and 2020 ("Remuneration Policy").

It is placed on record that this amendment of the Remuneration Policy mainly refers to the remuneration system applicable to the Chairman of the Board of Directors, eliminating the references to the conditions that specifically applied to the former Chairman. Other minor technical adjustments and improvements are also made, and the maximum annual amount of remuneration for the directors as a whole, for both executive and non-executive functions, is also stipulated.

As a result of this amendment, to approve the new version of the Directors' Remuneration Policy, which wording has been made available to the shareholders on occasion of the call of the Shareholders' Meeting and that will continue to be applicable in fiscal years 2019 (with effects from January 1) and 2020.



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**DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A. FOR
FISCAL YEARS 2018, 2019 AND 2020**

**APPROVED BY THE SHAREHOLDERS' MEETING OF APRIL 25, 2018 AND AMENDED BY
THE SHAREHOLDERS' MEETING OF JUNE 3, 2019.**

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DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A. FOR FISCAL YEARS 2018, 2019 AND 2020

1. INTRODUCTION

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

This document establishes the directors' remuneration policy of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), which was submitted for approval by the Shareholders' Meeting to be held on April 25, 2018, and the amendments to it which will be submitted to the Shareholders' Meeting to be held on June 3, 2019. Attached hereto is a justification report from the Appointments, Remuneration and Corporate Governance Committee and a justified proposal from the Company's Board of Directors, in accordance with article 529 *novodecies* of the Spanish Capital Companies Law. Both documents are available to the shareholders on the Company's website.

2. VALIDITY PERIOD

The Company has applied and will apply this directors' Remuneration Policy in fiscal years 2018, 2019 and 2020. Any amendment to or replacement of this Policy during that validity period will require prior approval from the Shareholders' Meeting in accordance with article 529 *novodecies* of the Capital Companies Law.

This Remuneration Policy substituted and replaced the former "directors' remuneration policy 2017-2019" in force (approved by the Shareholders' Meeting on June 30, 2017 and subsequently amended through a resolution of the Extraordinary Shareholders' Meeting of November 15, 2017) and was applied as from January 1, 2018.

Without prejudice to the foregoing, the remuneration paid to the directors or former directors under the "directors' remuneration policy 2017-2019" and the one in force in 2018 shall be valid, in particular the following remuneration in favor of the former Executive Vice Chairman (and former non-executive Board Chairman), Mr. Manuel Polanco Moreno:

- 905,000 euros, as the benefit for early termination by mutual agreement of his contract for services with the Company, as the audiovisual officer.
- 264,000 euros, as the annual variable remuneration for 2017.
- The remuneration paid in fiscal year 2018, in application of the specific provisions established in that Remuneration Policy, for the amounts specified in the Annual Remuneration Report relating to that year and made public by the Company.

3. PRINCIPLES AND FUNDAMENTALS

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

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

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

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

- (d) a clause must be included in the respective contracts which enables the Company to claim the reimbursement of any variable remuneration paid in the event that it is subsequently objectively proven that it was determined based on incorrect or inaccurate data.
- Restrictions for the transfer of the shares that the directors may receive as part of their remuneration: non-executive directors who receive shares in payment for their fixed remuneration have the obligation to maintain the ownership of those shares until they resign or are removed from the post of director. Moreover, the executive directors who receive shares in payment for their remuneration may not transfer the ownership of a number of shares equal to two times their fixed annual remuneration for at least three years since the allocation of those shares. These restrictions will not apply to any shares that the director must dispose of to defray the costs and taxes related to their acquisition.

In particular, the directors' remuneration envisaged in this Policy shall maintain a reasonable proportion with the Company's relevance, its current economic and financial situation and with the market standards at comparable companies. Also, the remuneration system seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results.

4. MAXIMUM AMOUNT OF DIRECTORS' REMUNERATION

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

- a) The maximum annual total of 2,000,000 euros, to which the remuneration payable to the directors in their capacity as such may amount (for the items stipulated in sections 5.2.1, 5.2.2 and 5.2.3 below).
- b) The amount envisaged in the non-competition agreement of the previous Chairman of the Board of Directors stated in section 5.3.3 below.
- c) The amounts for the items mentioned in sections 6.2, 6.3 and 6.6 below, which relate to the remuneration for executive functions of the Chief Executive Officer.
- d) In case of termination of the functions of Chief Executive Officer, the amount to which he is entitled, according to the conditions of his contract, on the terms stipulated in sections 6.4 and 6.5 below.

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

5. DIRECTORS' REMUNERATION IN THEIR CAPACITY AS SUCH

5.1 General criteria:

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

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

5.2 Fixed remuneration of the directors in their capacity as such

5.2.1 Fixed annual remuneration of the non-Executive Chairman

The fixed annual remuneration of the non-Executive Chairman shall be a fixed amount for all items in the range of between 300,000 euros and 500,000 euros per annum.

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

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

5.2.2 Fixed annual remuneration for serving on the Board of Directors

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

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

5.2.3 Fixed annual remuneration for serving on the Board Committees:

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

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

5.2.4 Participation on the Boards of Directors of other Group companies

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

5.2.5 Other remuneration items

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

5.3 Other provisions

5.3.1 Expenses related to Board and Committee meetings

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

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

5.3.2 Civil liability insurance

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

5.3.3 Other items:

The amounts accrued prior to the date of termination in their posts as directors of the Company shall be paid during the validity period of this Policy.

In particular, Mr. Manuel Polanco is entitled to receive, in accordance with the terms agreed for the termination of his previous provision of services contract, the amount established therein as compensation for the non-competition agreement (a clause which the parties agreed to cancel as of December 31, 2019), amounting to 230,000 euros, as he ceased being the Board Chairman before December 31, 2019 for reasons other than a serious breach of his obligations and he did not compete with the PRISA Group during the period of one year after that termination.

6. DIRECTORS' COMPENSATION FOR PERFORMING EXECUTIVE DUTIES

The Chief Executive Officer, Mr. Manuel Mirat Santiago, is the only member of the Board of Directors who performs executive functions at PRISA.

6.1 Remuneration items

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

Executive directors shall not receive any amounts for the items envisaged in the previous section 5. Nevertheless, executive directors are beneficiaries of the civil liability insurance arranged by the Company for its directors.

The executive directors' remuneration can include the following remuneration items:

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

6.2 Fixed remuneration

Executive directors shall receive a fixed annual remuneration in cash amounting to 500,000 euros for their executive and senior management duties.

6.3 Variable remuneration

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

The executive directors' variable remuneration currently includes an annual short-term variable amount, and may also include a medium- or long-term variable remuneration.

The executive directors' variable remuneration targets are approved by the Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee. At the proposal of that Committee, the Board of Directors is also responsible for assessing the degree of achievement of the established objectives.

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

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

- Every year a variable compensation system is defined which complies with formal procedures for determining the amounts to be paid to the executive directors. The objectives are set down in writing in advance, and their achievement is determined according to the Company' results and approved by the Board of Directors.
- There is no entitlement to receive a guaranteed annual variable remuneration.
- Remuneration linked to the Company's earnings shall take into account any qualifications stated in the external auditor's report that reduce those earnings.
- The contract of the Chief Executive Officer, Mr. Manuel Mirat Santiago, contains a clawback clause that permits the Company to claim a reimbursement of the variable components of remuneration when they have been paid based on data whose inaccuracy is verified subsequently. This measure has effects for the remuneration received after the entry into force of his contract with the Company, i.e. from September 4, 2017. Likewise, the Incentive Plan shall envisage the corresponding malus and clawback clauses (as defined below).
- The system for establishing metrics for the quantitative objectives takes into consideration the variables that have been identified within the Company's risk map.
- There are maximum amounts established for all variable remuneration items payable.

6.3.2 Annual variable remuneration

The annual variable remuneration of the Chief Executive Officer, Mr. Manuel Mirat, is that regulated in his contract with the Company, according to which, he will receive variable remuneration which does not vest, in cash, according to the objectives assigned to him for each of the annual periods covered by his contract, and which shall be set each year by the Board of Directors at the proposal of the Appointments, Remuneration and Corporate Governance Committee. The annual variable remuneration of the Chief Executive Officer, which will be determined according to a scale of achievement, will be linked mainly to the achievement of the quantitative business-related objectives, which include the Group's operational and financial objectives, value creation and sustainability objectives, as well as qualitative objectives, as the case may be. The Board shall have the discretion to establish the variable remuneration system for the executive directors within the framework of this Policy.

The variable remuneration of the Chief Executive Officer, Mr. Manuel Mirat Santiago, for a 100% degree of achievement of the established objectives, amounts to 300,000 euros, with the possibility of increasing said amount to a maximum of 130%, if the degree of achievement of the

objectives is over 100%, meaning that the maximum amount that the Chief Executive Officer can receive for this remuneration item is 390,000 euros.

The annual variable remuneration is paid after the end of the year, meaning that the amount accrued during the year by the Chief Executive Officer is settled in the following year.

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

6.3.3 Medium- and long-term variable remuneration

– Medium-term Incentive Plan 2018-2020

The executive director will be the beneficiary of a medium-term incentive plan (the "**Incentive Plan**"), referred to a three-year period (2018, 2019 and 2020), without prejudice to the settlement period, which was approved by the Shareholders' Meeting held on April 25, 2018.

The aim of the Incentive Plan is to link a portion of the remuneration of the management team (including the executive director) to the shareholders' interests, in a context of a multi-year and long-term value creation at the Company and its Group.

The Incentive Plan envisages the possibility for the executive director to receive a certain number of ordinary shares in the Company after a three-year measurement period, provided that certain requirements are met. The details of how the Incentive Plan will be applied and executed are regulated in the aforementioned resolution of the Shareholders' Meeting and in the general terms and conditions of the Incentive Plan approved by the Company's Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee (the "**General Conditions**").

The Shares will be delivered, as appropriate, within sixty calendar days from the date on which the Board of Directors prepares the financial statements for 2020 ("**Delivery Date**").

The Company has assigned a certain number of "theoretical shares" (restricted stock units, "**RSUs**"), which will be used as the reference for determining the final number of shares to be delivered to the executive director.

A portion of the shares to be delivered upon completion of the Incentive Plan will depend on the increase of the Company's share value determined by the difference between the share's market value at the beginning and at the end of the Incentive Plan, according to the terms of the Shareholders' Meeting's resolution and based on a minimum value increase level, on the terms established by the aforementioned General Conditions.

Another portion of the shares to be delivered will depend on the degree of achievement of the Group's consolidated EBITDA and Cash Flow for the period 2018-2020, on the basis of a graded scale, also established in those General Conditions.

At the proposal of the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors will determine what portion of shares will be delivered depending on the value increase, and what portion of the shares will be delivered depending on the achievement of the EBITDA and Cash Flow objectives (and the respective weighting of these two objectives)

and the corresponding grading of the value increase and objectives compliance, together with their respective percentages of the shares to be delivered.

At the proposal of the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors can establish different objectives in the interests of the Company and of its shareholders, in the event that there are important events or corporate transactions which, in the Board's opinion, significantly affect the Incentive Plan and which must be stated in the corresponding Annual Report on directors' Remuneration, as well as the establishment of the Incentive Plan objectives, scales and weightings.

The Board may set a maximum level of increase in the value of the Shares that will give rise to the early settlement of the Incentive Plan and the delivery of the relevant shares to the Chief Executive Officer depending on the market value of the PRISA share reached at that time and on the achievement of the EBITDA and Cash Flow targets at that date.

In order to receive the shares, the executive director must maintain a contractual relationship with the PRISA Group during the term of the Incentive Plan and until the Delivery Date, except for certain cases of termination due to causes not attributable to him ("good leaver"), which are duly specified in the General Conditions of the Incentive Plan.

The Incentive Plan envisages the corresponding malus clauses, which will be applicable during the term of the Incentive Plan and between its termination and the actual delivery of the shares, and the clawback clauses, according to which the shares could be reduced or returned under certain circumstances, in accordance with what is established by the Board of Directors at any given time.

The maximum number of shares that the executive director can receive under the Incentive Plan is 2,800,000 shares.

In any case, the Company reserves the right to decide, if it deems this appropriate, to replace the delivery of shares with the payment of an amount in cash.

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

The right to receive an indemnity in certain cases of early termination of executive functions is established in the executive director's contract with the Company.

The contract of the Chief Executive Officer, Mr. Manuel Mirat Santiago, envisages that, once the four years stated in the contract or any of its extensions have elapsed, if the Board of Directors of PRISA decides not to renew Mr. Mirat's position as Chief Executive Officer, he will be entitled to an indemnity equivalent to 18 months of his annual fixed and variable remuneration. Likewise, in this case, the Chief Executive Officer will be entitled, as part of his settlement, to the proportional part of the variable remuneration target (i.e. 300,000 euros) and, where applicable, of the multi-year incentive.

In the case of unilateral termination simply by the Company's decision, or termination due to breach by the Company, Mr. Manuel Mirat Santiago will receive the indemnity stipulated by labor legislation applicable to ordinary employment relationships held in abeyance, plus 18 months of the annual fixed and variable remuneration in cash at the date of his termination.

6.5 Other terms and conditions of the contract with the executive director

The essential terms and conditions of the executive director's contract for services, in addition to the aforementioned remuneration items, are as follows:

- (i) Duration: four years as from September 4, 2017.
- (ii) Advance notice given by the director: three months. Obligation to reimburse the fixed remuneration in cash, including the proportional distribution of the special salary payments corresponding to the breached advance notice period.
- (iii) Indemnity for termination of the contract by the Company: three months' advance notice. In case of total or partial breach of the advance notice period, the Company will be obliged to pay the fixed compensation in cash with the inclusion of the proportion of the special salary payments corresponding to the proportional breach of the advance notice. The corresponding employment indemnity in accordance with the legislation applicable to ordinary employment relationships held in abeyance, plus 18 months of the annual fixed and variable compensation in cash of the Chief Executive Officer.
- (iv) Exclusivity and non-compete covenants: exclusivity and the specific prohibition not to compete, except the companies excluded in the contract itself.
- (v) Post-contractual non-compete undertaking: six months. Spanish or foreign companies whose activity is identical or similar to those of the Group companies. Commitment not to hire any person who is or was during the twelve months prior to the date of termination of the contract a member of the Group staff; and not to contribute to any Group worker leaving it.

Compensation: six months of the last gross fixed salary, payable in equal installments over the term of the non-compete covenant. Breach: obligation to refund the amount of compensation and, in addition, an indemnity for an amount equal to six months of the fixed remuneration received.

6.6 Other remuneration in kind

6.6.1 Life and accident insurance

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

The insured capital of the Chief Executive Officer's life insurance for the year 2018 amounted to 800,000 euros, and 738,920 euros for 2019. According to the conditions of the policy, the insured capital for the Chief Executive Officer is that corresponding to one year of remuneration for his post. In particular, for 2018, the annual fixed and variable remuneration target (that is, 300,000 euros) has been taken as a reference, in view of the fact that, as of the policy renewal

date, one year had not yet elapsed since his appointment as Chief Executive Officer and as of 2019, the insured capital is determined taking as a reference the fixed remuneration plus the actual variable remuneration received in the immediately preceding year.

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

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

6.6.2. Private health insurance

In addition, the Group's policy applicable to all executives includes private health insurance in the form of reimbursement of expenses. On the Company's Board of Directors, the only beneficiary of this insurance is the Chief Executive Officer, as well as his family members, respecting the age limits appearing in the corresponding policy.

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

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

6.6.3. Other remuneration in kind

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

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

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

* * *



REPORT PRESENTED BY THE APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE TO THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A., PURSUANT TO ARTICLE 529 NOVODECIAS OF THE CAPITAL COMPANIES LAW

I. Introduction

This report is prepared by the Appointments, Remuneration and Corporate Governance Committee (“**ARCGC**” or the “**Committee**”) of Promotora de Informaciones, S.A. (the “**Company**” or **PRISA**) in accordance with article 529 *novodecias* of the Revised Spanish Capital Companies Law, approved by Legislative Royal Decree 1/2010 of July 2, 2010 (the “**Capital Companies Law**” or “**LSC**”), to justify and explain the proposed amendment of the Directors’ Remuneration Policy relating to fiscal years 2018, 2019 and 2020, approved by the Shareholders’ Meeting held on April 25, 2018 (the “**Remuneration Policy in force**” or the “**Policy in force**”).

This report is submitted to the Board of Directors in order for it to in turn, as appropriate, submit the proposal to the Shareholders’ Meeting of PRISA for approval.

II. Justification of the proposal for amendment of the Directors’ Remuneration Policy relating to fiscal years 2018, 2019 and 2020 approved by the Shareholders’ Meeting held on April 25, 2018

Due to the substitution of Mr. Manuel Polanco by Mr. Javier Monzón as non-executive Chairman of the Board of Directors of PRISA on January 1, 2019, it is necessary to adapt the Policy in force, which defined the specific remuneration of the former chairman according to the special circumstances of his case, due to his having held a position as executive director with a specific contract for services prior to his appointment as chairman.

The current situation, i.e., that of a non-executive chairman who has not had another prior relationship with the company, except for that of non-executive director, in this case independent, is the most habitual and for that reason, it is more appropriate to establish a policy that envisages this situation in general, which permits applying it specifically to anyone who holds the position at any given time.

Although the current Policy in force covers up to 2020, the new remuneration structure proposed for the non-executive chairman has been designed on the basis that its validity can be maintained on similar terms over a broader period of time, thus enabling reasonable stability and flexibility in its specific application at all times.

The proposed remuneration is subject to the principles and fundamentals of the Policy in force, specified in the different headings of section 3, which it fully complies with.

The proposed amendment to the Policy in force also affects other aspects that were specifically applicable to the former chairman, Mr. Polanco. Additionally, other minor technical adjustments and improvements have been made and a total maximum amount of remuneration has been included for all the directors for all items, including both executive and non-executive functions.

The other terms and conditions of the Policy in force will remain unchanged, according to the wording approved by the Shareholders' Meeting held on April 25, 2018.

Remuneration structure of the chairman (non-executive)

The non-executive chairman of PRISA, in accordance with article 529 sexies of the LSC, is the person ultimately responsible for the efficient functioning of the Board of Directors ("**Board of Directors**" or the "**Board**"), as is also established in the bylaws and Regulations of the Company's Board, which attributes him broad and specific responsibilities in relation to corporate governance, assessment of the Board, training programs and recycling for directors and the function of the highest institutional representation of the Group. By virtue of what is established in said Regulation, the Chairman also chairs the Delegated Committee of the Board.

The non-executive chairmanship of PRISA is, therefore, one with a high level of responsibility and dedication, which has both internal and external exposure and projection. Institutional representation is an especially relevant factor in this case, given that this is a group that operates in the sectors of education and the media, is present in a total of 22 countries, and demands high-level and very intense dedication.

Moreover, the Company's in-depth overhaul of its corporate governance system has involved developing and consolidating new practices within its managing body, which the chairman is responsible for fomenting and supervising.

The chairman is also responsible for achieving an adequate functioning of the Company's Board of Directors as a collective body, where there is broad representation of the different significant shareholders present in the Company's capital, along with an also relevant number of non-executive directors, mainly independent, of broad diversity and origin and whose concerns, interests and initiatives the chairman should know, acknowledge and appropriately convey.

Accordingly, the ARCGC considers that the best course of action in the Company's interests is to establish in the remuneration policy applicable to the non-executive chairman a range for the fixed remuneration payable to him, that can be adapted at any given time to the relative weight that each of his responsibilities should represent in his activity as a whole, and to the levels of dedication required, as well as to the characteristics of the person who holds the position, in particular his professional background and experience, capacities and skills. That fixed amount will be the total remuneration to be received by the non-executive chairman, without prejudice to the positions that he may hold in other Board committees or even at other Group companies.

In order to determine that range, the ARCGC has taken into account market practices, mainly analyzing the situation of Spanish listed companies with similar characteristics as regards activity, size and complexity, as well as the nature and scope of the position. The Committee has received external advice from renowned independent experts in this area, Spencer Stuart and Korn Ferry; the latter updated the report which it prepared last year for these same purposes, and the first one applied to the specific case of PRISA the information which it had obtained from the analysis of the set of more than one hundred listed companies in the Spanish market, the most relevant data of which it includes in the well-known report that it publishes each year on this issue.

As a result of the foregoing, the ARCGC has concluded that a range of between 300,000 euros and 500,000 euros per annum would be appropriate for the characteristics of the Company, and that is what it proposes to include in the Policy in force to remunerate the functions of non-executive chairman; it falls to the Board to establish, at the proposal of the ARCGC and within that range, the specific amount to be paid at any given time.

Although it is true that market practices are not as homogeneous in the case of non-executive chairmen as they are in relation to the remuneration of boards and committees which are more general in nature, the Committee considers that this range is the most appropriate based on the information compiled and the analyses carried out. The lower limit of the range is below the lowest remuneration of non-executive chairmen of the companies in the media industry that are listed on the Spanish market, and its upper limit is significantly lower than the highest of those companies, being situated at a medium-high level as regards the remuneration of listed companies with similar characteristics as those of PRISA that determine the levels of responsibility and dedication required by the position. Both Spencer Stuart and Korn Ferry have given a positive evaluation of the remuneration system and levels proposed for the non-executive chairman and have concluded that the amounts included in the range indicated are reasonable and appropriate for a company like PRISA.

Validity of the amendment of the Policy

The amendment of the Remuneration Policy in force is partial, so it will not affect its validity period (fiscal years 2018, 2019 and 2020) or the other aspects of it.

Consequently, the amendments that are included in the Policy in force as a result of its approval by the Shareholders' Meeting of PRISA shall apply, on the terms and conditions established therein, during fiscal years 2019 (with effects from January 1) and 2020.

III. Proposed amendments to the Remuneration Policy

In view of all of the foregoing, the proposed amendments to the Remuneration Policy are:

(i) elimination of the reference to the specific remuneration that was received by the previous Chairman of the Board, Mr. Manuel Polanco Moreno, and elimination of the remuneration in kind that he received (such as life and accident insurance, private health insurance and the right to a chauffeured vehicle);

(ii) inclusion of a remuneration system applicable to the position of non-executive chairman, so that the Remuneration Policy establishes a remuneration range of between 300,000 euros and 500,000 euros per annum, within which the Board, at the proposal of the ARCGC, will determine the amount of the annual fixed remuneration of the chairman, according to the responsibility and dedication required by the position and the circumstances involved at any given time, as well as the characteristics of the person who holds the position and in light of market practices;

(iii) inclusion of a total maximum amount of remuneration for the directors as a whole, both for their executive and non-executive functions; and

(iv) other purely technical adjustments and improvements.

The attached Exhibit contains a comparison between the Policy in force and the proposed amendments to that Policy.

IV. Conclusion

In view of all of the foregoing, the ARCGC considers that the amendment of the Remuneration Policy in force, on the terms indicated in this report, complies with legislation and permits the Company to have a remuneration policy that suits its current situation and is aligned with the shareholders' interests.

Therefore, in accordance with article 529 *novodecies* of the LSC, the ARCGC submits this proposal for amendment of the Remuneration Policy to the Board of Directors in order for it to submit it, as appropriate, to the Shareholders' Meeting for approval.



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

**DIRECTORS' REMUNERATION POLICY
OF PROMOTORA DE INFORMACIONES, S.A.**

**DIRECTORS' REMUNERATION POLICY
OF PROMOTORA DE INFORMACIONES, S.A.
FOR FISCAL YEARS 2018, 2019 AND 2020
APPROVED BY THE SHAREHOLDERS'
MEETING OF APRIL 25, 2018 AND AMENDED
BY THE SHAREHOLDERS' MEETING OF JUNE
3, 2019.**

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DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A.

1. INTRODUCTION

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

This document establishes the directors' remuneration policy of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), which is submitted for approval by the General Meeting to be held on 25 April 2018.

This proposed remuneration policy includes a justification report from the Appointment and Remuneration Committee and a justified proposal from the Company's Board of Directors, in accordance with article 529 novodecies of the Spanish Companies Law. Both documents are available to the shareholders on the Company's website as

DIRECTORS' REMUNERATION POLICY OF PROMOTORA DE INFORMACIONES, S.A. FOR FISCAL YEARS 2018, 2019 AND 2020

1. INTRODUCTION

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

This document establishes the directors' remuneration policy of Promotora de Informaciones, S.A. ("**PRISA**" or the "**Company**"), which ~~is~~was submitted for approval by the ~~General~~Shareholders' Meeting to be held on ~~25 April 2018~~.This proposed remuneration policy includes April 25, 2018, and the amendments to it which will be submitted to the Shareholders' Meeting to be held on June 3, 2019. Attached hereto is a justification report from the Appointment and Appointments, Remuneration and Corporate Governance Committee and a justified proposal from the Company's Board of Directors, in accordance with article 529 novodecies of the Spanish Capital Companies Law. Both documents are available to the shareholders on the Company's website as from the date on which the General Meeting was convened.

from the date on which the General Meeting was convened.

2. VALID PERIOD

If approved by the General Meeting, this directors' remuneration policy shall be applied by the Company in 2018, 2019 and 2020. Any amendments to or replacements of the policy during its validity shall require prior approval from the General Meeting in accordance with the provisions of article 529 novodecies of the Spanish Companies Law.

Consequently, this remuneration policy substitutes and replaces the former "directors' remuneration policy 2017-2019" in force (approved by the Annual General Meeting on 30 June 2017 and subsequently amended through a resolution from the Extraordinary General Meeting on 15 November 2017) and shall be applicable with retroactive effects from 1 January 2018.

Without prejudice to the foregoing, the remuneration that was paid or is paid in 2018 to the directors or former directors under the "directors' remuneration policy 2017-2019" shall be valid, in particular the following remuneration in favour of the former Executive Vice Chairman (and current Non-Executive Board Chairman), Mr Manuel Polanco Moreno:

- EUR 905,000 as the benefit for the early termination by mutual agreement of his mercantile service lease with the Company, as the audiovisual officer.

2. ~~VALID~~VALIDITY PERIOD

~~If approved by the General Meeting, The Company has applied and will apply this directors' remuneration policy shall be applied by the Company in~~Remuneration Policy in fiscal years 2018, 2019 and 2020. Any ~~amendments~~amendment to or ~~replacements of the policy~~replacement of this Policy during ~~its~~that validity ~~shall~~period will require prior approval from the ~~General~~Shareholders' Meeting in accordance with ~~the provisions of~~ article 529 ~~novodecies~~ of the ~~Spanish~~Capital Companies Law.

~~Consequently, this remuneration policy substitutes and replaces~~This Remuneration Policy substituted and replaced the former "directors' remuneration policy 2017-2019" in force (approved by the ~~Annual~~General Shareholders' Meeting on ~~30 June~~30, 2017 and subsequently amended through a resolution ~~from of~~ the Extraordinary ~~General~~Shareholders' Meeting ~~on 15 of~~ November ~~15, 2017~~) and ~~shall be applicable with retroactive effects from 1~~was applied as from January ~~1, 2018~~.

Without prejudice to the foregoing, the remuneration ~~that was paid or is paid in 2018~~ to the directors or former directors under the "directors' remuneration policy 2017-2019" ~~and the one in force in 2018~~ shall be valid, in particular the following remuneration in ~~favour~~favor of the former Executive Vice Chairman (and ~~current Non-Executive~~former non-executive Board Chairman), Mr. Manuel Polanco Moreno:

- ~~EUR~~ 905,000 euros, as the benefit for ~~the~~ early termination by mutual agreement of his ~~mercantile service lease~~contract for services with the Company, as the audiovisual officer.

- EUR 264,000 as the annual variable remuneration for 2017.

3. PRINCIPLES AND FUNDAMENTALS

3.1 General principles

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

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

Specifically, the remuneration policy is based on the following principles:

- Restraint and adaptation to the best market practices: PRISA makes sure that the directors' remuneration is restrained and conforms to the remuneration trends and references in its activity sector or among its comparables in terms of size, activity or structure, so that it is aligned with the best market practices.

- ~~EUR~~ 264,000 euros, as the annual variable remuneration for 2017.

The remuneration paid in fiscal year 2018, in application of the specific provisions established in that Remuneration Policy, for the amounts specified in the Annual Remuneration Report relating to that year and made public by the Company.

3. PRINCIPLES AND FUNDAMENTALS

~~3.1~~ General principles

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

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

~~Specifically~~In particular, the ~~remuneration policy~~Remuneration Policy is based on the following principles:

- ~~Restraint~~Moderation and adaptation to the best market practices: PRISA ~~makes sure that the directors's aim is for the remuneration is restrained and conforms to the remuneration of directors to be moderate and to comply with market trends and references in its activity sector or among its comparables in terms of relation to remuneration in the Company's sector of business or at~~

– Proportionality: External directors' remuneration should sufficiently compensate them for the actual dedication, qualification and responsibilities that the post entails, but should not be so high as to compromise their independence.

– Restrictions to the transfer of shares which the directors receive as part of their remuneration: External directors who receive shares in payment for their fixed remuneration must maintain ownership of such shares until their removal as directors. On the other hand, executive directors who receive shares as a remuneration payment cannot transfer the ownership of a number of shares equal to twice the amount of their fixed annual remuneration until at least three years have elapsed from the time of their allocation. Such conditions shall not apply to any shares that the directors must dispose of to defray costs and taxes related to their acquisition.

– The directors' remuneration for discharging executive duties shall be based on the following criteria:

- (a) it must motivate them to stay on and guide their conduct, with responsibility and special focus for the long term, with a reasonable link to the share performance in that time horizon;

companies that are comparable in size, activity or structure, so that ~~it is aligned~~they are in-keeping with the best market practices.

– Proportionality: ~~External directors' remuneration should sufficiently compensate them for the actual~~The remuneration of non-executive directors and, in particular, independent directors, must reflect the effective dedication, qualification and ~~responsibilities that~~responsibility required by the post ~~entails~~, but ~~should~~must not be so high as to compromise ~~their~~the director's independence of mind.

~~Restrictions to the transfer of shares which the directors receive as part of their remuneration: External directors who receive shares in payment for their fixed remuneration must maintain ownership of such shares until their removal as directors. On the other hand, executive directors who receive shares as a remuneration payment cannot transfer the ownership of a number of shares equal to twice the amount of their fixed annual remuneration until at least three years have elapsed from the time of their allocation. Such conditions shall not apply to any shares that the directors must dispose of to defray costs and taxes related to their acquisition.~~

– The directors' remuneration for discharging executive duties shall be based on the following criteria:

- (a) it must motivate them to ~~stay on~~remain at the company and guide their ~~conduct~~management with ~~responsibility~~exigency and special focus ~~for~~on the long term, ~~with a reasonable link~~and it must be reasonably linked to the ~~share~~

<p>(b) it must enable them to deal with the Company's current situation, outlook and sustainable growth targets;</p> <p>(c) it must include fixed and variable annual and, where applicable, multi-year components, in cash, in kind and in items linked to the share price, determined in accordance with the following criteria in order for the balancing of the different items of the remuneration to be aligned with the market practice:</p> <ul style="list-style-type: none"> the fixed remuneration must be moderate and shall not be modified during the period of this Policy, unless there are specific circumstances which warrant a review. the variable remuneration must represent an important part of the total remuneration. the medium-term remuneration must have a significant weighting. the share-based remuneration must be also significant. 	<p>performance <u>of the stock market price</u> in that time horizon<u>period</u>.</p> <p>(b) it must enable them to deal with<u>reflect</u> the Company's current situation, outlook<u>perspectives</u> and <u>aims of</u> sustainable growth targets<u>;</u></p> <p>(c) it must include fixed and variable <u>components, with an</u> annual and, where applicable, or multi-year components<u>scope, as appropriate</u>, in cash, <u>and</u> in kind, and in items linked to the elements indexed to share <u>price value</u>, determined in accordance with<u>according to</u> the following criteria, in order for the balancing<u>weighting</u> of the different items of the remuneration <u>components</u> to be aligned in line with the market practice<u>practices</u>:</p> <ul style="list-style-type: none"> it must keep fixed remuneration must be moderate <u>levels</u> and shall not be modified during the period<u>term</u> of this<u>the</u> Policy, unless there are specific circumstances <u>arise</u> which warrant a review<u>making revising the Policy advisable</u>. the variable remuneration must represent an important part of the total remuneration. the medium-term remuneration must have a significant weighting<u>weight</u>. the share-based remuneration must be also significant.
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- the variable remuneration must be partially received over time.
- (d) a clause must be included in the respective contracts which enables the Company to claim the reimbursement of any variable remuneration paid in the event that it is subsequently objectively proven that it was determined based on incorrect or inaccurate data.

- the variable remuneration must be partially received over time.
- (d) a clause must be included in the respective contracts which enables the Company to claim the reimbursement of any variable remuneration paid in the event that it is subsequently objectively proven that it was determined based on incorrect or inaccurate data.

= Restrictions for the transfer of the shares that the directors may receive as part of their remuneration: non-executive directors who receive shares in payment for their fixed remuneration have the obligation to maintain the ownership of those shares until they resign or are removed from the post of director. Moreover, the executive directors who receive shares in payment for their remuneration may not transfer the ownership of a number of shares equal to two times their fixed annual remuneration for at least three years since the allocation of those shares. These restrictions will not apply to any shares that the director must dispose of to defray the costs and taxes related to their acquisition.

Specifically, the directors' remuneration envisaged in this policy shall maintain a reasonable proportion in line with the Company's relevance, its current economic and financial situation and the comparables' market standards. Likewise, the remuneration system will be aimed at fostering long-term profitability and sustainability and includes the necessary precautions to avoid taking excessive risk and having to offset unfavourable results.

~~Specifically~~In particular, the directors' remuneration envisaged in this ~~policy~~Policy shall maintain a reasonable proportion ~~in line~~ with the Company's relevance, its current economic and financial situation and with the ~~comparables'~~ market standards. ~~Likewise at comparable companies. Also,~~ the remuneration system ~~will be aimed at fostering~~seeks to promote the Company's long-term profitability and sustainability and includes the necessary ~~precautions to avoid taking~~safeguards to prevent excessive risk ~~and having to offset~~

4. REMUNERATION FOR DIRECTORS IN THEIR CAPACITY AS SUCH

4.1 General criteria

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

- (i) The maximum annual remuneration amount for all the directors in their

~~unfavourable~~-taking and the rewarding of poor results.

4. MAXIMUM AMOUNT OF DIRECTORS' REMUNERATION ~~FOR DIRECTORS IN THEIR CAPACITY AS SUCH~~

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

- a) The maximum annual total of 2,000,000 euros, to which the remuneration payable to the directors in their capacity as such may amount (for the items stipulated in sections 5.2.1, 5.2.2 and 5.2.3 below).
- b) The amount envisaged in the non-competition agreement of the previous Chairman of the Board of Directors stated in section 5.3.3 below.
- c) The amounts for the items mentioned in sections 6.2, 6.3 and 6.6 below, which relate to the remuneration for executive functions of the Chief Executive Officer.
- d) In case of termination of the functions of Chief Executive Officer, the amount to which he is entitled, according to the conditions of his contract, on the terms stipulated in sections 6.4 and 6.5 below.

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

5. DIRECTORS' REMUNERATION IN THEIR CAPACITY AS SUCH

5.1 ~~4.1~~ General criteria:

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

- (i) The maximum annual remuneration amount for all the directors in their

capacity as such shall be determined by the General Meeting.

- (ii) At the proposal of the Appointment, Remuneration and Corporate Governance Committee, the Board of Directors shall distribute among its members the aforementioned remuneration, taking into account the functions and responsibilities of each director, whether they belong to the Board Committees, and the other objective circumstances that the Board of Directors deems relevant. In that sense, a larger remuneration amount has been established for the Chairman of the Board of Directors than for the other Board members based on the required dedication to his institutional and representation duties for the Company at the highest level, among other non-executive functions that he carries out.

4.2 Maximum amount of directors' remuneration in their capacity as such

The maximum annual amount that the Company can pay to all the directors in their capacity as such (excluding the amount they receive as executive directors for the items stated in section 6 below) cannot exceed EUR 2,000,000. That cap shall remain in force until the General Meeting approves an amendment.

capacity as such shall be determined by the ~~General~~Shareholders' Meeting.

- (ii) At the proposal of the ~~Appointment~~Appointments, Remuneration and Corporate Governance Committee, the Board of Directors shall distribute ~~among its members~~ the aforementioned maximum remuneration amongst its members, taking into account the functions and responsibilities of each director, whether they belong to the Board Committees, and the other objective circumstances that the Board of Directors deems relevant. In ~~that sense, a larger~~this regard, the remuneration amount ~~has been established~~ for the Chairman of the Board of Directors will be higher than for the other Board members based on the ~~required~~greater dedication ~~to~~required of the Chairman and his institutional and representation duties for the Company at the highest level, among other non-executive functions that he carries out.

~~4.2~~ ~~Maximum amount of directors' remuneration in their capacity as such~~

5.2 Fixed remuneration of the directors in their capacity as such

5.2.1 Fixed annual remuneration of the non-Executive Chairman

The ~~maximum annual amount that the Company can pay to all the directors in their capacity as such (excluding the amount they receive as executive directors for the items stated in section 5 below) cannot exceed EUR 2,000,000. That cap shall remain in force until the General Meeting approves an amendment.~~fixed annual remuneration of the non-Executive Chairman shall be a fixed amount for all items in the range of between 300,000 euros and 500,000 euros per annum.

4.3 Remuneration items

4.3.1 Fixed annual remuneration for serving on the Board of Directors

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

The maximum fixed annual remuneration for this item shall be EUR 70,000 per director.

4.3.2 Fixed annual remuneration for the non-executive Chairman

The non-executive Chairman of the Board of Directors, Mr Manuel Polanco Moreno, shall be entitled to receive a gross fixed annual remuneration of EUR 500,000 in his capacity as a director and as the non-executive Board

~~4.3~~ ~~Remuneration items~~

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

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

~~5.2.2~~ ~~4.3.1~~ Fixed annual remuneration for serving on the Board of Directors

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

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

~~4.3.2~~ ~~Fixed annual remuneration for the non-executive Chairman~~

~~The non-executive Chairman of the Board of Directors, Mr Manuel Polanco Moreno, shall be entitled to receive a gross fixed annual remuneration of EUR 500,000 in his capacity as a director and as the non-executive Board~~

Chairman. That remuneration shall be paid in cash on prorated monthly basis and will be incompatible with the remuneration items referred to in sections 4.3.1 above and 4.3.3 below.

Likewise, the non-executive Chairman shall be a beneficiary of the life and health insurance policy referred to in section 6 below.

4.3.3 Fixed annual remuneration for serving on the Board Committees:

The fixed annual remuneration which the non-executive directors receive for serving on the Board Committees shall be paid in cash on a prorated monthly basis and the maximum amounts are as follows:

- i. Remuneration for serving on the Delegated Committee: EUR 30,000 per year per director.
- ii. Remuneration for serving on the Audit and Compliance Committee and on the Appointment, Remuneration and Corporate Governance Committee: EUR 20,000 per year for each member, being twice that amount for their respective Chairpersons (i.e. EUR 40,000).

4.3.4 Serving on the Boards of Directors of other Group companies

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

~~Chairman. That remuneration shall be paid in cash on prorated monthly basis and will be incompatible with the remuneration items referred to in sections 4.3.1 above and 4.3.3 below.~~

~~Likewise, the non-executive Chairman shall be a beneficiary of the life and health insurance policy referred to in section 6 below.~~

~~4.3.3~~ 5.2.3 ~~Fixed annual remuneration for serving on the Board Committees:~~

~~The fixed annual~~ Besides the remuneration ~~which set forth in section 5.2.2,~~ the non-executive directors may receive ~~for serving on an additional fixed annual remuneration for belonging to~~ the Board Committees. This remuneration shall be paid in cash ~~on a~~ prorated monthly ~~basis,~~ and the maximum amounts ~~are as follows~~ will be the following:

- i. Remuneration for participating on ~~the~~ Delegated Committee: EUR 30,000 euros per year ~~annum~~ per director.
- ii. Remuneration for serving on the Audit and Compliance Committee and on the ~~Appointment~~ Appointments, Remuneration and Corporate Governance Committee: EUR 20,000 per year for each member ~~per~~ euros per annum per director, being ~~twice that~~ two times this amount for ~~their~~ the respective ~~Chairpersons~~ committee chairmen (i.e. ~~EUR 40,000 euros~~).

~~4.3.4~~ 5.2.4 ~~Serving~~ Participation on the Boards of Directors of other Group companies

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

4.3.5 Other remuneration items

Mr Manuel Polanco is entitled to receive, in accordance with the terms agreed for the termination of his former service provision contract, the amount foreseen therein to compensation the non-competition agreement (a clause which was agreed to stop being in force on 31 December 2019), amounting to EUR 230,000 if he ceased being the Board Chairman before 31 December 2019 —as a result of his removal as the Board Chairman through a resolution by the General Meeting or by the Board for reasons other than a serious breach of his obligations which would lead to his removal— and did not compete with the PRISA Group during the period of one year after his removal . Such amount derives from Mr Manuel Polanco’s former contract as executive director and, therefore, is not included in the directors’s maximum remuneration cap referred to in section 4.2. above.

The remuneration policy for the directors in their capacity as such does not envisage granting credits, advance payments or guarantees. Likewise, it does not envisage the non-executive directors participating in employee welfare systems or being entitled to compensation in the event that they terminate their duties as directors; also, it does not envisage granting remuneration other than that described in this policy, without prejudice to that envisaged in section 6.

4.4 Other provisions

4.4.1 Expenses related to Board and Committee meetings

The travel and accommodation expenses for attending the meetings of both the Board of Directors and the Committees shall be reimbursed by the Company to the directors,

~~4.3.5~~ 5.2.5 Other remuneration items

~~Mr Manuel Polanco is entitled to receive, in accordance with the terms agreed for the termination of his former service provision contract, the amount foreseen therein to compensation the non-competition agreement (a clause which was agreed to stop being in force on 31 December 2019), amounting to EUR 230,000 if he ceased being the Board Chairman before 31 December 2019 —as a result of his removal as the Board Chairman through a resolution by the General Meeting or by the Board for reasons other than a serious breach of his obligations which would lead to his removal— and did not compete with the PRISA Group during the period of one year after his removal . Such amount derives from Mr Manuel Polanco’s former contract as executive director and, therefore, is not included in the directors’s maximum remuneration cap referred to in section 4.2. above.~~

The ~~remuneration policy~~ Remuneration Policy for the directors in their capacity as such does not envisage ~~granting~~ the grant of credits, advance payments or guarantees. Likewise, it does not envisage the participation of non-executive directors ~~participating~~ in employee welfare systems or ~~being entitled~~ entitlement to any compensation in the event ~~that they terminate~~ of termination of their duties as directors; also, it does not envisage ~~granting~~ the grant of remuneration other than that described in this ~~policy, without prejudice to that envisaged in section 6.~~ Policy.

~~4.4~~ 5.3 Other provisions

~~4.4.1~~ 5.3.1 Expenses related to Board and Committee meetings

The expenses associated to travel, meals and accommodation ~~expenses for attending to~~ attend the meetings of ~~both~~ the Board of Directors and ~~the~~ Committees ~~shall~~ will be

provided that they have been previously notified to the Company and accepted by it and are duly justified.

In addition, PRISA's directors do not receive allowances for serving on the Board or on the Committees or any other fixed remuneration as directors.

4.4.2 Civil liability insurance

The Company has arranged civil liability insurance for all its directors under the usual market conditions and proportionate to the Company's specific circumstances.

reimbursed by the Company to the directors, provided that they have been ~~previously~~ notified to the Company previously and accepted by it, and that they are duly justified.

~~In addition, PRISA's directors do not receive allowances for serving on~~ Nonetheless, the directors of PRISA's directors do not receive allowances for attending fees for participating in the meetings of the Board ~~or on the~~ of Directors and Committees or ~~any~~ other fixed remuneration as directors.

5.3.2 ~~4.4.2~~ Civil liability insurance

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

5.3.3 Other items:

The amounts accrued prior to the date of termination in their posts as directors of the Company shall be paid during the validity period of this Policy.

In particular, Mr. Manuel Polanco is entitled to receive, in accordance with the terms agreed for the termination of his previous provision of services contract, the amount established therein as compensation for the non-competition agreement (a clause which the parties agreed to cancel as of December 31, 2019), amounting to 230,000 euros, as he ceased being the Board Chairman before December 31, 2019 for reasons other than a serious breach of his obligations and he did not compete with the PRISA Group during the period of one year after that termination.

5. REMUNERATION FOR DIRECTORS FOR PERFORMING EXECUTIVE DUTIES

Mr Manuel Mirat Santiago is the only member of the Board of Directors who carries out executive duties at PRISA.

5.1 Remuneration items

The remuneration items comprising the executive directors' remuneration as well as the basic terms and conditions of their functions must be stated in a contract signed between the Company and the director and it must be approved previously by the Board of Directors, where the director must abstain from voting on and discussing the matter and there must be a majority of two-thirds of its members.

Executive directors shall not receive any amounts for the items envisaged in section 5 below. Nevertheless, executive directors are beneficiaries of the civil liability insurance arranged by the Company for its directors.

The executive directors' remuneration can include the following items:

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

~~5. REMUNERATION FOR DIRECTORS FOR PERFORMING EXECUTIVE DUTIES~~ DIRECTORS' COMPENSATION FOR PERFORMING EXECUTIVE DUTIES

~~Mr~~The Chief Executive Officer, Mr. Manuel Mirat Santiago, is the only member of the Board of Directors who ~~carries out~~performs executive ~~duties~~functions at PRISA.

~~5.1~~ 6.1 Remuneration items

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

Executive directors shall not receive any amounts for the items envisaged in the previous section ~~4 below.~~5. Nevertheless, executive directors are beneficiaries of the civil liability insurance arranged by the Company for its directors.

The executive directors' remuneration can include the following remuneration items:

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

5.2 Fixed remuneration

Executive director shall receive for their executive and senior management duties a fixed annual remuneration in cash amounting to EUR 500,000.

5.3 Variable remuneration

Part of the executive directors' remuneration will be variable, with a view to strengthening their commitment to the Company and incentivise better performance. The variable remuneration of the executive directors shall represent a relevant part of their total remuneration and be linked to meeting targets established by the Board of Directors, which will be mostly specific and quantifiable, so that this is not due simply to the general performance of the markets, of the Company's activity sector or other similar circumstances. The Company's purpose in this respect, like with the Group's other senior managers, is to provide competitive remuneration packages which attract and retain outstanding professionals while establishing a link between the remuneration and results and the achievement of the targets for the Company and the Group.

The executive directors' variable remuneration currently includes a short-term annual variable amount and may also include a medium or large term variable remuneration.

The executive directors' variable remuneration targets are approved by the Board of Directors, at the proposal of the Appointment, Remuneration and Corporate Governance Committee. At the proposal of that Committee, the Board of Directors is also responsible for

6.2 ~~5.2~~ Fixed remuneration

Executive ~~director~~directors shall receive ~~for their executive and senior management duties~~ a fixed annual remuneration in cash amounting to ~~EUR 500,000~~500,000 euros for their executive and senior management duties.

6.3 ~~5.3~~ Variable remuneration

Part of the executive directors' remuneration will be variable, with a view to ~~strengthening~~reinforcing their commitment to the Company and ~~incentivise~~incentivizing better performance of their functions. The variable remuneration of the executive directors shall represent a relevant part of their total remuneration and be linked to meeting ~~targets~~objectives established by the Board of Directors, most of which ~~will~~shall be ~~mostly~~ specific and quantifiable, so that ~~this is the~~ variable remuneration does not ~~derive~~ simply ~~to~~from the general performance of the markets, of the Company's activity sector or other similar circumstances. The aim of the ~~Company's purpose~~, in this respect, like just as with the rest of the Group's ~~other~~ senior managers, is to providedesign competitive remuneration packages ~~which attract and retain~~that permit attracting and retaining outstanding professionals while establishing a link between ~~the remuneration and~~ results and the achievement of ~~the targets~~objectives for the Company and the Group.

The executive directors' ~~variable~~ remuneration currently includes an annual ~~annual~~ variable amount, and may also include a medium ~~or~~ large ~~long-term~~ variable remuneration.

The executive directors' ~~variable~~ remuneration targets are approved by the Board of Directors, at the proposal of the AppointmentAppointments, Remuneration and Corporate Governance Committee. At the proposal of that Committee, the Board of

assessing the degree of compliance with the established targets.

5.3.1 Actions adopted by the Company with respect to the variable remuneration system to reduce exposure to excessive risks and adjust it to the company's long-term objectives, value or interests

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

- Every year, a variable remuneration system is defined based on the formal procedures to determine the amounts to be paid to the executive director. The objectives are established previously in writing and their achievement determined on the basis of the results approved by the Board.
- The right to receive guaranteed annual variable remuneration does not exist.
- The remuneration linked to company earnings should take into account any qualifications stated in the audit report that reduce their amount.
- The contract with the Chief Executive Officer, Mr Manuel Mirat Santiago, includes a clawback clause, which enables the Company to claim the reimbursement of the variable components of the remuneration which

Directors is also responsible for assessing the degree of ~~compliance with~~achievement of the established ~~targets~~objectives.

6.3.1 ~~5.3.1 Actions adopted by the Company with respect to the variable remuneration system to reduce exposure to excessive risks and adjust it to the company's long-term objectives, value or interests~~
Actions taken by the Company in relation to the remuneration plan, to reduce exposure to excessive risk and adjust it to the Company's long-term objectives, values and interests

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

- Every year, a variable ~~remuneration~~compensation system is defined ~~based on the~~which complies with formal procedures ~~to determine for determining~~ the amounts to be paid to the executive ~~director~~directors. The objectives are ~~established previously~~set down in writing in advance, and their achievement is determined ~~on~~according to the ~~basis of the~~Company' results and approved by the Board of Directors.
- ~~The right~~There is no entitlement to receive a guaranteed annual variable remuneration ~~does not exist~~.
- ~~The remuneration~~Remuneration linked to ~~company~~the Company's earnings ~~should~~shall take into account any qualifications stated in the ~~audit~~external auditor's report that reduce ~~their amount~~those earnings.
- The contract ~~with~~of the Chief Executive Officer, Mr. Manuel Mirat Santiago, ~~includes~~contains a clawback clause, ~~which enables that permits~~ the Company to claim ~~the~~a reimbursement of the variable components of ~~the~~

have been paid based on data subsequently found to be inaccurate. This measure has effects for the remuneration received after the entry into force of his contract with the Company, i.e. from 4 September 2017. Likewise, the Incentive Plan will envisage the corresponding malus and clawback clauses (as defined below).

- The system established for the quantitative targets takes into account the variables which have been identified within the Company's risk map.
- All the variable remuneration has established a payment cap.

5.3.2 Annual variable remuneration

The annual variable remuneration of the Chief Executive Officer, Mr Manuel Mirat, is regulated in his contract with the Company, according to which he will receive variable non-vested remuneration in cash, in accordance with the targets allocated to each annual period within the term of his contract and which will be established every year by the Board of Directors, at the proposal of the Appointment, Remuneration and Corporate Governance Committee. The annual variable remuneration of the Chief Executive Officer, which will be determined in accordance with a scale of compliance, will be mainly linked to meeting quantitative business objectives, including the Group's operational and financial objectives, the value creation and sustainability objectives and, where applicable, the qualitative objectives. The Board shall have the discretion to establish the variable remuneration system for the executive directors within the

remuneration ~~which~~ when they have been paid based on data whose inaccuracy is verified subsequently ~~found to be inaccurate~~. This measure has effects for the remuneration received after the entry into force of his contract with the Company, i.e. from ~~4~~ 4, 2017. Likewise, the Incentive Plan ~~will~~ shall envisage the corresponding malus and clawback clauses (as defined below).

- The system ~~established~~ for establishing metrics for the quantitative ~~targets~~ objectives takes into ~~account~~ consideration the variables ~~which~~ that have been identified within the Company's risk map.
- ~~All the~~ There are maximum amounts established for all variable remuneration ~~has established a payment cap~~ items payable.

6.3.2 ~~5.3.2~~ Annual variable remuneration

The annual variable remuneration of the Chief Executive Officer, Mr. Manuel Mirat, is that regulated in his contract with the Company, according to which, he will receive variable ~~non-vested~~ remuneration which does not vest, in cash, ~~in accordance with the targets allocated~~ according to the objectives assigned to him for each of the annual ~~period within the term of~~ periods covered by his contract, and which ~~will~~ shall be ~~established every~~ set each year by the Board of Directors; at the proposal of the ~~the~~ Appointment Appointments, Remuneration and Corporate Governance Committee. The annual variable remuneration of the Chief Executive Officer, which will be determined ~~in accordance with~~ according to a scale of ~~compliance~~ achievement, will be ~~mainly~~ linked to meeting mainly to the achievement of the quantitative business-related objectives, ~~including~~ which include the Group's operational and financial objectives, ~~the~~ value

framework of this policy.

The variable remuneration of the Chief Executive Officer, Mr Manuel Mirat Santiago, for a 100% degree of compliance with the established objectives, amounts to EUR 300,000, with the possibility to increase said amount, in a maximum of 130%, if the degree of compliance with the objectives are over 100%, so that the maximum amount that the Chief Executive Officer can receive for this remuneration item amounts to EUR 390,000.

The annual variable remuneration is paid after the end of the year, whereby the amount accrued during the year by the Chief Executive Officer is settled, where applicable, the following year.

In each *annual directors' remuneration report*, the Company will provide details of how this policy is implemented and the specific objectives established for each year and their degree of compliance.

5.3.3 *Medium- or long-term variable remuneration*

– Medium-term incentive plan 2018-2020

If approved by the General Meeting, which is expected to be held on 25 April 2018, the executive director will be the beneficiary of a medium-term incentive plan, referred to a three-year period (2018, 2019 and 2020), without prejudice to the settlement period (the **"Incentive Plan"**).

creation and sustainability objectives—~~and, where applicable, the, as well as~~ qualitative objectives, as the case may be. The Board shall have the discretion to establish the variable remuneration system for the executive directors within the framework of this ~~policy~~Policy.

The variable remuneration of the Chief Executive Officer, Mr. Manuel Mirat Santiago, for a 100% degree of ~~compliance with~~achievement of the established objectives, amounts to ~~EUR 300,000,300,000 euros~~, with the possibility ~~to increase~~of increasing said amount, ~~in to~~ a maximum of 130%, if the degree of ~~compliance with~~achievement of the objectives ~~are~~is over 100%, ~~so meaning~~ that the maximum amount that the Chief Executive Officer can receive for this remuneration item ~~amounts to EUR 390,000~~is 390,000 euros.

The annual variable remuneration is paid after the end of the year, ~~whereby~~meaning that the amount accrued during the year by the Chief Executive Officer is settled, ~~where applicable, in~~ the following year.

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

6.3.3 ~~5.3.3~~ ~~Medium- or~~ and long-term variable remuneration

– Medium-term incentive plan~~incentive plan~~Incentive Plan 2018-2020

~~If approved by the General Meeting, which is expected to be held on 25 April 2018, the~~The executive director will be the beneficiary of a medium-term incentive plan (the "Incentive Plan"), referred to a three-year period (2018, 2019 and 2020), without prejudice to the settlement period ~~(the "Incentive Plan")~~.

The Incentive Plan is also aimed at linking a part of the remuneration of the management team (including the executive director) with the shareholders' interest within a multi-year and long-term value creation framework for the Company and its Group.

The Incentive Plan envisages the possibility of the executive director receiving a certain number of ordinary company shares after three years and provided that certain requirements are met. The details of how the Incentive Plan will be applied and executed are regulated in the aforementioned resolution from the General Meeting and the general terms and conditions of the Incentive Plan approved by the Company's Board of Directors, at the proposal of the Appointment, Remuneration and Corporate Governance Committee (the "General Conditions").

Where applicable, the shares will be delivered within sixty calendar days of the date on which the Company's Board approves the financial statements for 2020 ("Delivery Date").

The Company will allocate a certain number of restricted stock units ("RSUs"), which will be used as the reference for determining the final number of shares to be delivered to the executive director.

A portion of the shares to be delivered upon completion of the Incentive Plan will depend on the increase of the Company's share value, to be determined by the difference between the share market value at the beginning and at the end of the Incentive Plan, according to the

which was approved by the Shareholders' Meeting held on April 25, 2018.

The aim of the Incentive Plan is ~~also aimed at linking a part~~ to link a portion of the remuneration of the management team (including the executive director) ~~with~~ to the shareholders' ~~interest within~~ interests, in a context of a multi-year and long-term value creation ~~framework for~~ at the Company and its Group.

The Incentive Plan envisages the possibility ~~of~~ for the executive director ~~receiving~~ to receive a certain number of ordinary ~~company~~ shares in the Company after ~~a three years and year~~ measurement period, provided that certain requirements are met. The details of how the Incentive Plan will be applied and executed are regulated in the aforementioned resolution ~~from~~ of the ~~General~~ Shareholders' Meeting and ~~in~~ in the general terms and conditions of the Incentive Plan approved by the Company's Board of Directors, at the proposal of the ~~Appointment~~ Appointments, Remuneration and Corporate Governance Committee (the "General Conditions").

~~Where applicable, the shares~~ The Shares will be delivered, ~~as appropriate~~, within sixty calendar days ~~of~~ from the date on which the ~~Company's~~ Board approves ~~of~~ Directors prepares the financial statements for 2020 ("Delivery Date").

The Company ~~will allocate~~ has assigned a certain number of "theoretical shares" ~~(restricted stock units, ("RSUs"))~~, which will be used as the reference for determining the final number of shares to be delivered to the executive director.

A portion of the shares to be delivered upon completion of the Incentive Plan will depend on the increase of the Company's share value, ~~to be~~ be determined by the difference between the share's market value at the beginning and at the end of the Incentive Plan, according to the

terms of the General Meeting's resolution and from a minimum value increase level, in the terms to be established by the Company's Board of Directors.

Another portion of the shares to be delivered will depend on the degree of compliance of the Group's consolidated EBITDA and Cash Flow generation objectives for the period 2018-2020, on the basis of a graded scheme also to be established on the referred General Conditions.

At the proposal of the Appointment, Remuneration and Corporate Governance Committee, the Board of Directors will determine what portion of shares would be delivered depending on the value increase and what portion will be delivered depending on the compliance of the EBITDA and Cash Flow objectives (and the respective weighting of these two objectives) and the corresponding graded schemes regarding the value increase and objectives compliance, together with their respective percentages of the shares to be delivered.

At the proposal of the Appointment, Remuneration and Corporate Governance Committee, the Board of Directors can establish different objectives in the interests of the Company and of its shareholders in the event that there are significant events or corporate transactions which, in the Board's opinion, significantly affect the Incentive Plan and which must be stated in the corresponding *Annual Directors' Remuneration Report*, as well as the establishment of the Incentive Plan objectives, scales and weightings.

terms of the ~~General~~Shareholders' Meeting's resolution and ~~from based on~~ a minimum value increase level, ~~in on~~ the terms ~~to be~~ established by the ~~Company's Board of Directors~~Company's Board of Directors ~~of~~ the ~~referred~~ General Conditions.

Another portion of the shares to be delivered will depend on the degree of ~~compliance~~achievement of the Group's consolidated EBITDA and Cash Flow ~~generation objectives~~ for the period 2018-2020, on the basis of a graded ~~scheme~~scale, also ~~to be~~ established ~~on the referred~~ in those General Conditions.

At the proposal of the ~~Appointment~~Appointments, Remuneration and Corporate Governance Committee, the Board of Directors will determine what portion of shares ~~would will~~ be delivered depending on the value increase, and what portion of the shares will be delivered depending on the ~~compliance~~achievement of the EBITDA and Cash Flow objectives (and the respective weighting of these two objectives) and the corresponding ~~graded~~ schemes ~~regarding~~ grading of the value increase and objectives compliance, together with their respective percentages of the shares to be delivered.

At the proposal of the ~~Appointment~~Appointments, Remuneration and Corporate Governance Committee, the Board of Directors can establish different objectives in the interests of the Company and of its shareholders, in the event that there are ~~significant~~important events or corporate transactions which, in the Board's opinion, significantly affect the Incentive Plan and which must be stated in the corresponding Annual Directors' Report on directors' Remuneration ~~Report~~, as well as the establishment of the Incentive Plan objectives, scales and weightings.

The Board of Directors will also be entitled to set a maximum share value increase which would result in the early settlement of the Incentive Plan and the delivery of the corresponding shares to the Chief Executive Officer depending on the market share value of PRISA's shares on that moment and on the compliance of the EBITDA and Cash Flow objectives on that date.

In order to receive the shares the executive director must maintain a contractual relationship with the PRISA Group during the reference period and until the Delivery Date, except for certain cases of termination due to causes non attributable to him (good leaver), which will be duly determined on the General Conditions of the Incentive Plan to be approved by the Board of Directors.

The Incentive Plan will envisage the corresponding malus clauses, which will be applicable during the term of the Incentive Plan and between its termination and the actual delivery of the shares, and the clawback clauses, which may mean that the shares can be reduced or refunded under certain circumstances, in accordance with that established by the Board of Directors at any given time.

The maximum number of shares that the executive director can receive under the Incentive Plan amounts to 2,800,000 shares.

In any case, the Company reserves the right to decide, if it deems this appropriate, to replace the delivery of shares with the payment of an amount in cash.

~~The Board of Directors will also be entitled to~~ may set a maximum ~~share value~~ level of increase ~~which would result in the~~ value of the ~~Shares that will give rise to the~~ early settlement of the Incentive Plan and the delivery of the ~~corresponding~~ relevant shares to the Chief Executive Officer depending on the market ~~share value of the~~ PRISA's ~~shares on share~~ reached at that ~~moment~~ time and on the ~~compliance~~ achievement of the EBITDA and Cash Flow ~~objectives on~~ targets at that date.

In order to receive the shares, the executive director must maintain a contractual relationship with the PRISA Group during the ~~reference period~~ term of the Incentive Plan and until the Delivery Date, except for certain cases of termination due to causes ~~non~~ not attributable to him ("good leaver"), which ~~will~~ be ~~beare~~ duly ~~determined on~~ specified in the General Conditions of the Incentive Plan ~~to be~~ approved by the Board of Directors.

The Incentive Plan ~~will envisage~~ envisages the corresponding malus clauses, which will be applicable during the term of the Incentive Plan and between its termination and the actual delivery of the shares, and the clawback clauses, according to which ~~may mean that~~ the shares ~~can~~ could be reduced or ~~refunded~~ returned under certain circumstances, in accordance with ~~that~~ what is established by the Board of Directors at any given time.

The maximum number of shares that the executive director can receive under the Incentive Plan ~~amounts to~~ is 2,800,000 shares.

In any case, the Company reserves the right to decide, if it deems this appropriate, to replace the delivery of shares with the payment of an amount in cash.

5.4 The right to receive an indemnity in certain cases of early termination of the executive duties is stated in the executive director's contract with the Company.

The right to receive an indemnity in certain cases of early termination of the executive duties is stated in the executive director's contract with the Company.

In that sense, the contract of the Chief Executive Officer, Mr Manuel Mirat Santiago, envisages that, once the four years stated in the contract or any of its extensions have elapsed, if the Board of Directors of PRISA decides not to renew this position, he will be entitled to an indemnity equivalent to 18 months of his fixed and variable annual remuneration. Likewise, in this case the Chief Executive Officer will be entitled, as part of his settlement, to the proportional part of the variable remuneration target (i.e. EUR 300,000) and, where applicable, of the multi-year incentive.

In the case of unilateral termination simply by the Company's decision or because it has committed a breach, Mr Manuel Mirat Santiago will receive the corresponding employment indemnity in accordance with the regulations applicable to the ordinary employment relations on hold plus 18 months of the fixed and variable annual compensation in cash, at the date of his termination.

5.5 Other terms and conditions of the contract with the executive director

The essential terms and conditions of the mercantile contract with the executive director

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

~~5.4~~—The right to receive an indemnity in certain cases of early termination of ~~the~~ executive ~~duties~~functions is ~~stated~~established in the executive director's contract with the Company.

~~The right to receive an indemnity in certain cases of early termination of the executive duties is stated in the executive director's contract with the Company.~~In that sense, the contract of the Chief Executive Officer, Mr. Manuel Mirat Santiago, envisages that, once the four years stated in the contract or any of its extensions have elapsed, if the Board of Directors of PRISA decides not to renew ~~this~~Mr. Mirat's position as Chief Executive Officer, he will be entitled to an indemnity equivalent to 18 months of his annual fixed and variable ~~annual~~ remuneration. Likewise, in this case, the Chief Executive Officer will be entitled, as part of his settlement, to the proportional part of the variable remuneration target (i.e. ~~EUR~~EUR 300,000 ~~euros~~) and, where applicable, of the multi-year incentive.

In the case of unilateral termination simply by the Company's decision ~~or because it has committed a~~, or termination due to breach by the Company, Mr. Manuel Mirat Santiago will receive the ~~corresponding employment indemnity in accordance with the regulations~~stipulated by labor legislation applicable to ~~the~~ ordinary employment ~~relations on hold~~relationships held in abeyance, plus 18 months of the annual fixed and variable ~~annual compensation~~remuneration in cash, at the date of his termination.

6.5 ~~5.5~~ Other terms and conditions of the contract with the executive director

The essential terms and conditions of the ~~mercantile contract with the~~ executive director

are, in addition to the aforementioned remuneration terms, as follows:

- (i) Term: Four years from 4 September 2017.
- (ii) Advance notice given by the director: Three months. Obligation to pay the fixed remuneration in cash, including the proportional distribution of the salary bonuses corresponding to the period of notice that he fails to comply with.
- (iii) Indemnity for terminating the contract at the Company's request: Advance notice of three months. In the event of partial or full breach of the advance notice, the Company must pay the fixed remuneration in cash, including the proportional distribution of the salary bonuses corresponding to the period of notice that it fails to comply with. The corresponding employment indemnity in accordance with the regulations applicable to the ordinary employment relations on hold plus 18 months of the fixed and variable annual compensation of the Chief Executive Officer.
- (iv) Exclusivity and non-compete covenants: Exclusivity and the specific prohibition to not compete, except the companies excluded in the contract itself.
- (v) Post-contractual non-compete covenant: Six months. Spanish or foreign companies with an identical or similar

are's contract for services, in addition to the aforementioned remuneration ~~terms, items, are~~ as follows:

- (i) TermDuration: ~~Four~~four years as from ~~4~~September 4, 2017.
- (ii) Advance notice given by the director: ~~Three~~three months. Obligation to ~~pay~~reimburse the fixed remuneration in cash, including the proportional distribution of the special salary ~~bonuses~~payments corresponding to the ~~period of~~breached advance notice ~~that he fails to comply with~~period.
- (iii) Indemnity for terminating termination of the contract at by the Company's request: ~~Advance notice of~~ three months' advance notice. In ~~the event~~case of total or partial ~~or full~~breach of the advance notice period, the Company ~~must will be obliged to~~ pay the fixed ~~remuneration in cash, including the proportional distribution~~compensation in cash with the inclusion of the proportion of the special salary ~~bonuses~~payments corresponding to the ~~period~~proportional breach of the advance notice ~~that it fails to comply with~~. The corresponding employment indemnity in accordance with the ~~regulations~~legislation applicable to ~~the~~ ordinary employment ~~relations on hold~~relationships held in abeyance, plus 18 months of the annual fixed and variable ~~annual~~compensation in cash of the Chief Executive Officer.
- (iv) Exclusivity and non-compete covenants: ~~Exclusivity~~exclusivity and the specific prohibition ~~to not to~~ compete, except the companies excluded in the contract itself.
- (v) Post-contractual non-compete covenantundertaking: ~~Six~~six months. Spanish or foreign companies ~~with~~

activity to the Group companies. Commitment not to hire any person who is or during the twelve months prior to the date of termination of the contract was a member of the Group staff; and not to contribute to any Group worker leaving it.

Compensation: six months of the last fixed gross salary, payable in equal instalments over the term of the non-compete covenant. Breach: obligation to refund the amount of compensation and, in addition, an indemnity for an amount equal to six months of the fixed remuneration received.

6. OTHER REMUNERATION IN KIND

6.1 Life and accident insurance

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

The insured capitals of the non-executive Chairman and the Chief Executive Officer's life insurance for the year 2018 amount to EUR 500,000 and EUR 800,000, respectively. Non-executive Chairman's insured capital is linked to his fixed remuneration. In the Chief Executive officer's case, pursuant to the terms

~~an~~whose activity is identical or similar ~~activity to those of~~ the Group companies. Commitment not to hire any person who is or was during the twelve months prior to the date of termination of the contract ~~was~~ a member of the Group staff; and not to contribute to any Group worker leaving it.

Compensation: six months of the last ~~fixed~~ gross fixed salary, payable in equal ~~instalments~~installments over the term of the non-compete covenant. Breach: obligation to refund the amount of compensation and, in addition, an indemnity for an amount equal to six months of the fixed remuneration received.

~~6.~~ OTHER REMUNERATION IN KIND

6.6 Other remuneration in kind

~~6.1~~ 6.6.1 Life and accident insurance

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

The insured ~~capitals of the non-executive Chairman and~~capital of the Chief Executive Officer's life insurance for the year 2018 ~~amount to EUR 500,000 and EUR 800,000, respectively. Non-executive Chairman's insured capital is linked to his fixed remuneration. In the Chief Executive officer's case, pursuant to~~

and conditions of the policy, the insured capital is equivalent to one year of the remuneration associated to his post. In particular, for the year 2018 the fixed remuneration and the annual target variable remuneration (i.e. EUR 300,000) have been taken for reference, given that at the time the policy was renewed the one year period since his appointment as Chief Executive Officer had not elapsed. As from 2019, the insured capital will be determined taking for reference the fixed remuneration plus the variable remuneration received in the previous year.

This policy's premiums are revised on an annual basis depending on the accident indices of the Group's collective policies and vary according to the age of the insured person. For this purpose, in the first quarter of each year the premiums attributable to each of the beneficiaries are revised. For the year 2018, the premiums corresponding to the non-executive Chairman amount to EUR 1,416.45 for he life insurance and EUR 118.50 for the accident insurance, while with respect to the Chief Executive Officer, the premiums amount to EUR 855.75 for the life insurance and EUR 189.60 for accident insurance.

6.2 Private health insurance

In addition, the Group, within its policy applicable to all executives, has private health insurance in the form of reimbursement of

~~the terms and~~ amounted to 800,000 euros, and 738,920 euros for 2019. According to the conditions of the policy, the insured capital is equivalent for the Chief Executive Officer is that corresponding to one year of the remuneration associated to for his post. In particular, for the year 2018 the 2018, the annual fixed and variable remuneration and the annual target variable remuneration (i.e. EUR (that is, 300,000 euros) have has been taken for as a reference, given that at in view of the time fact that, as of the policy was renewed the renewal date, one year period had not yet elapsed since his appointment as Chief Executive Officer had not elapsed. As from and as of 2019, the insured capital will be is determined taking for as a reference the fixed remuneration plus the actual variable remuneration received in the previous immediately preceding year.

~~This policy's premiums are revised on an annual basis depending on the accident indices of the Group's collective~~ The insurance premiums are adjusted annually in light of the claims reported on PRISA's Group policies and vary according to the age of the insured person the insureds' ages. For this purpose, in the first quarter of each year, the premiums attributable to ~~each of the beneficiaries are revised. For the year 2018, the premiums corresponding to the non-executive Chairman amount to EUR 1,416.45 for he life insurance and EUR 118.50 for the accident insurance, while with respect to the Chief Executive Officer, the premiums amount to EUR 855.75 for the life insurance and EUR 189.60 for accident insurance~~ are revised.

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

~~6.2~~ 6.6.2. Private health insurance

In addition, the Group, ~~within its's~~ policy applicable to all executives, ~~has~~ includes private health insurance in the form of

expenses. Within the Company's Board of Directors, the beneficiaries of this insurance are the non-executive Chairman and the Chief Executive Officer, as well as the family members thereof, respecting the age limits appearing in the corresponding policy.

The private health insurance's premiums are revised on an annual basis depending on the accident rate of the Group's policies and the evolution of the health Consumer Index Price following the proposal of the insurance broker. For this purpose, the last quarter of the year the premium to be applied during the following year is determined. For the year 2018, the premium corresponding to the non-executive Chairman's health insurance amounts to EUR 3,619.42, while the premium corresponding to the Chief Executive Officer amounts to EUR 4,718.40.

6.3 Other remunerations in kind

The Chief Executive Officer is also entitled to use a vehicle with driver, under the terms set out in the PRISA Group's vehicle fleet policy.

Finally, the Chairman will have the necessary material and human resources to appropriately discharge his duties as the non-executive Chairman of PRISA's Board of Directors, all of this in accordance with PRISA's practices and policies, including the right to use a vehicle with driver, under the terms set out in the PRISA Group's vehicle fleet policy, as well as the secretary service.

reimbursement of expenses. ~~Within~~On the Company's Board of Directors, the ~~beneficiaries only~~ beneficiary of this insurance ~~are the non-executive Chairman and~~is the Chief Executive Officer, as well as ~~the~~his family members ~~thereof~~, respecting the age limits appearing in the corresponding policy.

The private health insurance's premiums are ~~revised on an annual basis depending on the accident rate of the Group's~~adjusted annually in light of the claims under PRISA's Group policies and the evolution of the ~~health~~ Consumer ~~Index~~ Price following the proposal of the insurance broker. For this purpose,Price Index in the health sector, according to the broker's proposal. ~~In~~ the last quarter of ~~the~~each year, the premium ~~to be applied during~~for the following year is ~~determined. For the year 2018, the premium corresponding to the non-executive Chairman's health insurance amounts to EUR 3,619.42, while the premium corresponding to the Chief Executive Officer amounts to EUR 4,718.40.~~established.

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

~~6.3~~ 6.6.3. ~~Other remunerations~~remuneration in kind

The Chief Executive Officer ~~is~~will also be entitled to the use of a chauffeured vehicle ~~with driver, under~~according to the terms ~~set out in the~~of PRISA Group's vehicle fleet policy.

~~Finally, the Chairman will have the necessary material and human resources to appropriately discharge his duties as the non-executive Chairman of PRISA's Board of Directors, all of this in accordance with PRISA's practices and policies, including the right to use a vehicle with driver, under the terms set out in the PRISA Group's vehicle fleet policy, as well as the secretary service.~~

7. OTHER DIRECTORS' REMUNERATION FOR SERVICES PROVIDED OUTSIDE THEIR DUTIES AS A BOARD MEMBER

The Company can remunerate certain directors for providing other services, at the proposal of the Appointment, Remuneration and Corporate Governance Committee and through a resolution by the Board of Directors.

* * *

~~**7. OTHER DIRECTORS' REMUNERATION FOR SERVICES PROVIDED OUTSIDE THEIR DUTIES AS A BOARD MEMBER**~~
OTHER REMUNERATION OF THE DIRECTORS FOR SERVICES PROVIDED OTHER THAN THOSE INHERENT IN THEIR POSITION

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

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