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**REPORT BY THE BOARD OF DIRECTORS OF PROMOTORA DE INFORMACIONES, S.A. ON THE PROPOSAL TO APPOINT THE DIRECTOR MS MARIA TERESA BALLESTER FORNÉS, INCLUDED IN ITEM ONE OF THE AGENDA OF THE GENERAL SHAREHOLDERS MEETING CALLED FOR 29 AND 30 JANUARY 2020, AS FIRST AND SECOND CALLS, RESPECTIVELY.**

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## **1. Purpose of the Report**

This report was issued by the Board of Directors of Promotora de Informaciones, S.A. ("Prisa" or the "Company") to justify, in accordance with articles 518 and 529 decies of the consolidated text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July (the "Spanish Companies Act"), the proposed resolution to appoint Ms. María Teresa Ballester Fornés as an independent director of the Company, included in item one of the Agenda of the next Extraordinary General Shareholders Meeting which is to be held on January 29, 2020 at the headquarters of the newspaper El País, calle de Miguel Yuste, 40, Madrid 28037, as a first call, or if the necessary quorum is not met, at the same place and time on January 30, 2020, as a second call.

## **2. History**

To fill the vacancy produced in the Board of Directors as a result of the resignation of Mr. Francisco Gil tendered on July 30, 2019, the Board held on that same date appointed by co-optation Ms. María Teresa Ballester Fornés, with the category of independent director.

Under Articles 244 and 529 decies of the LSC, appointments by co-optation are provisional and must be ratified, if applicable, at the next general meeting held by the company following the appointment.

## **3. Internal procedure to formulate the resolution proposals.**

Below, the internal procedure followed by the different bodies of the Company to formulate the resolution proposals is described, in accordance with article 529 decies of the Spanish Companies Act, the Board of Directors Regulation and the *Board member selection policy* of the Company.

### **3.1. Selection process:**

As mentioned in the 2018 Annual Corporate Governance Report (IAGC) published in March 2019, the Nominations, Compensation and Corporate Governance Commission (NCCGC) and the Board considered that the composition of the Board was reasonably diverse with regard to the profile, education, professional experience and qualifications, skills, age and geographic origin of its members, where there was a positive balance. That said, there was a clear lack of gender diversity on the Board.

Therefore, the NCCGC has implemented specific actions to correct this situation no later than 2020, in order to meet the target set forth and made public to ensure a minimum of 30% female directors on the Board by that date, in line with the provisions of Recommendation 14 of the

Spanish National Securities Commission's (CNMV) Code of Good Governance and with the Company's Director Selection Policy. The NCCGC recommended and the Board approved giving preference to women in future director appointment proposals. In that regard, during the first semester of 2019, the CNRGC conducted a search to identify women whose profile make them valid candidates to be proposed as company directors, in view of possible future posts that may become vacant.

From the analysis conducted of the list of functions of Board members, as well as the results of the Board's 2018 evaluation, it was determined that one of the specific profiles that should serve to guide the selection of future candidates were those required for members of the Audit, Risks and Compliance Commission.

Thus, the NCCGC and the Board agreed that the vacancy on the Board of Directors resulting from Mr. Francisco Gil Díaz's resignation on July 29, 2019, offered an ideal opportunity to advance in the inclusion of women on the Board and toward meeting the target in gender diversity set for 2020. Thus, on July 30, 2019, the Board of Directors appointed Ms. María Teresa Ballester as director, by cooptation, and also appointed her as member of the Audit, Risk and Compliance Committee.

Notwithstanding the foregoing, merit prevailed in the candidate selection process, for the purposes of social interest, being the primary selection criterion used in seeking the most qualified candidates.

In the candidate search and selection process, the Company used the external advisory services of the independent firm Russell Reynolds.

### **3.2. Proposed resolution**

The proposals for appointment of independent directors that the Board of Directors submits for the consideration of the General Meeting must be preceded by the corresponding proposal of the CNRGC, in accordance with the provisions of the Regulations of the Board of Directors of the Company and in article 529 decies of the LSC. In view of the foregoing, the Board of Directors of PRISA, at the proposal of the CNRGC, proposes to ratify the appointment by co-option of Ms. María Teresa Ballester Fornés and to re-elect and appoint her as director of the Company with the status of independent for the bylaws term of four years, effective from the date of adoption of the resolution by the General Shareholders Meeting.

### **3.3. Supporting report by the Board of Directors:**

The appointment of board members must be accompanied in any event by a supporting report by the Board of Directors in which the competence, experience and merits of the proposed candidate are assessed. For this purpose, the Board of Directors of Prisa has issued this report, which will be attached to the minutes of the General Shareholders Meeting, in accordance with article 539 decies 5 of the Spanish Companies Act.

## **4. Supporting report:**

### **4.1. Professional profile and biography of Ms. María Teresa Ballester Fornés:**

*"Ms. María Teresa Ballester Fornés graduated Cum Laude in Finance and Political Science from Boston College and holds an MBA from Columbia University in New York City.*

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

*Her career began at GTE Corporation (Verizon) in the United States as a financial executive, later joining the consulting firm Booz, Allen & Hamilton as a strategy consultant for leading multinationals in Mexico, the United Kingdom, Spain and Portugal.*

*She was CEO of 3i in Spain, where she developed extensive experience in the international private equity sector, leading many investments and divestments and participating in the recruitment process of institutional investors for global funds promoted by 3i. She has also led numerous refinancing operations and IPOs, and has wide-ranging experience on the boards of directors of several companies, both listed and non-listed, including Prisa Radio among others.*

*Between 2014 and January 2017 Ms. Ballester provided services to EY as an external advisor to the Transaction Services (TAS) Division. She is currently the founder and managing partner of the private equity fund Nexus Iberia I.*

*Ms. Ballester was also President of the Spanish Private Equity Association (ASCRI) from 2010-2012 and is currently a director of Repsol and a member of its Audit and Compensation Committee.*

*Member of the "Circulo de Empresarios", the Directors' Institute (ICA) and Women Corporate Directors (WCD), Member of the International Women's Forum (IWF), she frequently participates as a speaker at business schools and professional associations."*

Furthermore, and as indicated above, Ms Ballester is a member of the Audit, Risks and Compliance Commission of Prisa.

#### **4.2. Assessment of the proposal to appoint Ms. María Teresa Ballester Fornés as director of Prisa:**

The Board has evaluated the following aspects relating to Ms Ballester:

i) Dedication:

With regard to her capacity to carry out PRISA board member duties, it has been verified that Ms. Ballester's remaining professional occupations, which are included in the professional profile above, allow her to devote sufficient time to the Board of Directors and to any PRISA committees on which she may serve.

ii) Past performance in the position:

Ms Ballester is member of the board and of the Audit, Risks and Compliance Commission since July 2019. The board has attested the correct performance of her positions and her high level of attendance and informed participation in the board meetings and in the Audit, Risks and Compliance Commission meetings, which justifies the proposals of her appointment.

Likewise, the Company has taken into account Ms. Ballester's excellent performance as director of the subsidiary Prisa Radio until February 2019, having attended a high percentage of meetings and participated actively in board sessions.

Ultimately, the Board considers that the career of Ms Ballester at the Company certify that she has the appropriate skills, experience and merits to continue in her position as board member.

iii) Suitability and appropriateness of her knowledge, abilities and experience with the professional profiles defined by the Board in Prisa's Director Selection Policy:

When analyzing Ms. Ballester's suitability, her professional profile and career path was very much taken into account. Having assessed her CV, the Board of Directors considers that her profile reflects the necessary knowledge and experience to perform the required duties and to complement and improve the Board.

The requirements set forth in PRISA's Director Selection Policy are also met, insofar as Ms. Ballester is a professional with accredited qualifications and is personally and professionally honorable, bringing diverse knowledge, experience and background to the Board of Directors and, likewise, fulfilling the necessary conditions of capacity and compatibility. Moreover, Ms. Ballester's professional and international profile is in line with the Company's business and the sectors and countries in which it operates.

In addition Ms. Ballester's experience in and knowledge of financial matters and refinancing processes would be very useful for the Board and for the Audit, Risks and Compliance Committee. Also quite relevant are her experience in and knowledge of Latin American businesses and markets, and especially in Mexico, where Prisa has significant strategic interests and investors.

iv) Diversity:

In accordance with the Director Selection Policy, the proposals to re-elect or appoint board members must be based on a prior analysis of the Board's needs while, at the same time, the principle of diversity in the composition of the Board of Directors must apply in the broadest sense, favoring diversity of knowledge, experience, origin and gender on the Board of Directors.

The Board of Directors and the CNRGC have attempted to find the best professionals for the Company's governing body. In addition to expertise and experience in the relevant areas and sectors for the position, they have evaluated the principle of diversity set forth in the Company's Director Selection Policy, in the 2015 Code of Good Governance for Listed Companies applied by the National Securities Market Commission, in current legislation, and in Principle 5 of the United Nation's Sustainable Development Goals ("SDG").

After analyzing Ms. Ballester's CV, the diversity and professional experience of her profile were verified. Moreover, as a woman she would enable us to advance toward complying with the gender diversity objective (to have a minimum of 30% women on the Board by 2020). At present, and considering Ms. Ballester, 23% of Prisa board members are women.

In addition, the percentage of independent directors, also considering Ms Ballester, is 53.84% in line with the best practices of corporate governance.

In consequence, and in view of the analysis conducted with regard to Ms. Ballester, the Board deems that there is sufficient evidence of her competence and that her appointment would provide a variety of perspectives in the debates on matters addressed by the Board. Likewise, from an analysis of the Company's needs with regard to corporate governance and, taking into account the current composition of the board, the appointment of Ms. Ballester helps to maintain the recommended percentage of independent directors and to improve the number of women in the Board of Directors.

## **5. Category of Ms. María Teresa Ballester Fornés as director**

In accordance with article 529 duodecies of the Companies Act, the CNRCG proposes that Ms. Ballester be classified as an independent director, since there are no personal or professional circumstances that prevent or preclude her from being independent.

## **6. Term of the position**

The term of office of Ms Ballester, whose appointment is proposed, will be for the statutory period of four years effective from the date of adoption of the resolution by the General Shareholders Meeting. In accordance with article 222 of the Spanish Companies Act, the appointment of the proposed board members shall expire when, after the deadline, the General Shareholders Meeting has been held or the deadline to hold the General Shareholders Meeting to approve the prior year's fiscal accounts has passed.

## **7. Proposal submitted to be approved by the General Shareholders Meeting**

In view of the foregoing in this report, the Board of Directors proposes to the Extraordinary General Shareholders Meeting the following resolution:

*"On proposal of the Nominations, Compensation and Corporate Governance Commission, the Board of Directors proposes ratification of the appointment by co-option of Ms María Teresa Ballester Fornés made by the Board of Directors held on 30 July 2019, to fill a vacancy on the Board after the resignation of Mr. Francisco Gil and, on proposal of that commission, to re-elect and appoint Ms María Teresa Ballester Fornés as director of the Company with the category of independent, for the purposes of article 529 duodecies of the Capital Companies Act.*

*It is resolved to ratify the appointment by co-option of Ms María Teresa Ballester Fornés made by the Board of Directors held on 30 July 2019, and it is resolved to re-elect and appoint her as a director of the Company, with the category of independent, for the legal and bylaws term of four years, effective from the date of adoption of this resolution".*

In Madrid, on December 23, 2019